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CONTENTS

07.05.04

Big Blue Meets Inspector Gadget

In the **Technology** section: IBM's not so staid anymore. Its Gadget Lab is working with companies to develop high-tech gizmos like bathroom scales and pillboxes that transmit data to doctors. Nothing seems to be off-limits. **Page 25**

Building a Compliance Framework

In the **Management** section: The task of complying with government regulations is sucking up far too many resources. With no end in sight, CIOs who can integrate compliance into their corporate cultures will push their companies ahead of the pack. **Page 33**

NEWS

- 8 **E-voting systems** may not have security issues resolved in time for the November election, despite guidance from IT security experts.
- 6 **3Com** marks the 25th anniversary of its founding, but it's still looking to become profitable again after 17 consecutive losing quarters.
- 7 **VAX system** users will soon have to make potentially costly migration choices.
- 7 **Intel** prepares 64-bit extension technology for its x86 workstations, but the question of user demand remains.
- 10 **Q&A: System Objects' CEO** discusses the company's first software release that integrates Crystal Decisions tools.
- 10 **Oracle** plays catch-up in the market for service-oriented architecture tools.
- 12 **The FBI's Virtual Case File** system is delayed, but that might be a good thing.
- 12 **A ruling** on IP address portability has some ISPs worried about a potential precedent.
- 14 **Message archiving** regulations pose IT challenges for banks and brokerages.
- 14 **Microsoft CRM** users are frustrated by the software's slow development path.
- 45 **Q&A: Sun's James Gosling** discusses the vendor's difficulties selling Java tools.

TECHNOLOGY

- 21 **Speak Easy.** Technological improvements and broader product offerings are moving speech technology into the IT mainstream.
- 26 **Case Study: Search for a View.** Weatherford International is using Endeca search technology to top off a massive ERP project.
- 27 **QuickStudy: VoiceXML.** This scripting language allows users to interact with the Internet via voice-recognition technology.
- 28 **Security Manager's Journal: Software Gets Top Billing.** Dealing with spyware takes on new urgency after the CEO's system is infected.

MANAGEMENT

- 35 **Shareware Grows Up.** A group of CIOs who were tired of the high cost of software development thought there had to be a better way, so they formed a software co-op to share intellectual property.
- 36 **Think Tank.** The IT and facilities management departments are headed for a merger in the next decade, and a new book says "the future of work" looks a lot like open-source software development.
- 37 **Career Watch.** Nextel CIO Richard LeFave offers career advice. Plus, links between offshore outsourcing and an erosion in bonus pay, and today's hot IT skills.

OPINIONS

- 8 **On the Mark: Mark Hall** warns about dashboards steering you in the wrong direction.
- 18 **Sharon Machlis** notes that if users don't trust e-voting systems, we have a problem that demands our attention.
- 18 **Pimm Fox** thinks that restoring the .iq domain name could play a part in rebuilding Iraq.
- 19 **Dan Gillmor** isn't having any trouble finding "free" hot spots, so he wonders about the viability of fee-based Wi-Fi service at places like McDonald's.
- 30 **Paul A. Strassmann** says outsourcing has always been a favorite strategy of CFOs looking to cut costs; IT should get to it.
- 38 **Paul Blen** has some advice for all those IT managers who forget how to make great hires during the long downturn.
- 48 **Frankly Speaking: Frank Hayes** suggests that if you have some data you don't want to share, you could use the excuse that the Justice Department came up with.

DEPARTMENTS/RESOURCES

At Deadline Briefs	8
News Briefs	6, 14
Letters	19
IT Careers	40
Company Index	44
How to Contact CW	44
Shark Tank	46

ONLINE

WWW.COMPUTERWORLD.COM

Confessions of a War Driver

MOBILE/WIRELESS: A Computerworld editor takes up the wireless war-driving game to find unsecured networks. How tempted is he by the "surreal state of wireless security"? **QuickLink 47681**

Inside the Insider Threat

SECURITY: Mudge, security expert and chief scientist at Intrusix Inc., details some of the ways that malicious hackers can slip into computer networks undetected. **QuickLink 47294**

The IT Accounting Scam

DEVELOPMENT: Columnist Linda Hayes exposes a software development quality scam—and proposes a solution. **QuickLink 47717**

Storage on the Edge

STORAGE: Many organizations have more data stored on their network perimeters than in their data centers. CIOs need to learn the new realities of the "edge" landscape. IT write Robert Gallenta and Melanie Heister, IT staff directors at the Federal Reserve Bank of New York. **QuickLink 47764**

Using OS X Server to Manage Clients

MACINTOSH: Columnist Ryan Fain offers advice for systems administrators on what to keep in mind when configuring a user environment for individuals or workgroups. **QuickLink 47786**

What's a QuickLink?

Throughout each issue of Computerworld, you'll see five-digit QuickLink codes pointing to related content on our Web site. Also, at the end of each story, a QuickLink to that story online facilitates sharing it with colleagues. Just enter any of those codes into the QuickLink box, which is at the top of every page on our site.

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The Online Store
QuickLink #24290

AT DEADLINE

'Net Attack Spurs Change to Windows

Microsoft Corp. released a configuration change for Windows XP, 2000 and Server 2003 in an attempt to better protect the operating systems against an Internet attack launched two weeks ago (CWI/Jan. 47818). Microsoft said the update will safeguard users from the Download.Ject attack. The company added that it's also working on a series of security updates for Internet Explorer to provide increased protections.

CSC to Modernize Air Traffic System

Computer Sciences Corp., said it was a contract from the Federal Aviation Administration to modernize the system that's used to manage air traffic flow in the U.S. El Segundo, Calif.-based CSC will also network fragmented components of the FAA's IT infrastructure. The contract's design phase is valued at \$13.5 million, but CSC said the deal could be worth \$569 million over 11 years.

Dell to Replace Notebook Adapters

Dell Inc. said it's recalling and replacing about 38,000 notebook PC power adapters that could cause an electrical shock if they're used with power cords from companies other than Mobility Electronics Inc., which makes the adapters. The Combination Auto/Air Adapters were sold worldwide between December and May as an accessory to Dell's Latitude and Inspiron notebooks.

Short Takes

SYBASE INC. said its second-quarter revenue will be lower than expected due to problems in its North American corporate sales unit. Steps to strengthen the unit are planned. . . . NETWORK ASSOCIATES INC. changed its name to NICAFFEE INC. as part of a move to focus on IT security tools.

Time Running Out for E-voting Security Plan

Panel calls for independent oversight of voting systems, but it may be too late

BY OAN VERTON

STATES and local jurisdictions must act immediately to ensure the security of the electronic voting systems that are to be used in the November presidential election, according to an IT security panel. But the panel's recommendations may well have come too late.

In a report released last week by the Brennan Center for Justice at the New York University School of Law and the Leadership Conference on Civil Rights, the panel outlined a strategy for certifying the security and reliability of touch-screen direct recording electronic (DRE) voting systems. The systems will be used in jurisdictions representing about 30% of registered voters in the upcoming presidential election.

While analysts in the security and elections communities praised the report, most agreed that it may have come

too late for states and local jurisdictions to act upon.

Chief among the panel's eight recommendations is a call for elections officials to hire a well-qualified, independent security team to examine the potential for operational failures and malicious attacks against DRE voting systems. According to the report, such a team "must be free of any business relationships with any voting system vendors or designers" and must be granted unfettered access to all software code and configuration data.

The panel also recommended that all jurisdictions contract for independent "red team" exercises to uncover any hidden physical or electronic vulnerabilities in DRE systems. And it urged election officials to make public information about the level of co-

operation received from DRE system vendors.

Site-specific security procedures and physical security also weighed heavily in the panel's report. For example, the experts urged jurisdictions to use "tamper tape" on all vulnerable hardware devices, and to document strict procedures for system repairs.

Jim Adler, CEO of VoteHere Inc., a Bellevue, Wash.-based

developer of electronic voting security technologies, said the recommendations are an accurate reflection of what must be done.

But many of the systems and procedures for the November election are either already in place or are now being deployed. "It's late," said Adler, who was interviewed by the panel for the report. "Where was this a year ago?"

Jeremy Epstein, senior director for product security at Fairfax, Va.-based WebMethods Inc., characterized the panel's report as a set of short-

A VOTE FOR PAPER TRAILS

Sharon Machin says voters need to be able to "roll" to voting systems. See page 18

KEY RECOMMENDATIONS

Election officials should:

- Hire an independent team of security experts to examine the potential for failures and attack, and implement the team's recommendations.
- Provide thorough training for all election officials and workers on security procedures.
- Develop procedures for random parallel testing of the voting systems to use to detect malicious code or bugs in the software.
- Create a permanent independent technology panel to monitor the process.
- Establish procedures for regular reviews of audit facilities and operating logs for voting terminals and canvassing systems.
- Prepare and follow standardized procedures for response to alleged or actual security incidents.

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Epstein said he believes the recommendations can be implemented in time for the election. But "over the longer term," he added, "the need is clearly there for voter-verified paper audit trails or perhaps some form of cryptographic privacy protected voting." **© 47831**

3Com Hits Milestones but Seeks Path to Profitability



U.S. (l) Bruce Claffin (left) greets Massachusetts Gov. Mitt Romney at last week's anniversary celebration

MATT HAMBLEN
MARLBOROUGH, MASS.

Networking equipment vendor 3COM CORP. last week marked its 25th year in business and the one-year anniversary of relocating its headquarters from California to

Massachusetts. The celebration came as 3Com is trying to rebound from IT straight quarterly losses and steep declines in its sales and head count.

Two weeks ago, 3Com reported that it lost \$18.7 million in its fourth quarter and \$349.3 million for all of fiscal 2004, which ended May 26. But fourth-quarter revenue was up 5% from the year earlier period. During the anniversary ceremony at 3Com headquarters here, CEO Bruce Claffin called the revenue growth "a milestone in our turnaround efforts."

Massachusetts Gov. Mitt Romney, who also spoke at the event, praised 3Com for weathering the "perfect storm" generated in the IT industry by the dot-com bust and the post-9/11 economic doldrums.

Corporate Market Key

But 3Com's hoped-for turnaround has been a long time coming and still isn't assured, said Zeus Kerravella, an independent analyst based in Boston. Increasing sales to large companies is vital, he added. For example, he noted that the 3Com VCI IP Telephony Solution is a high-quality switch but hasn't attracted many corporate customers since it was introduced for enterprise use a year ago.

"3Com needs to get more enter-

prise users, and the next 12 to 24 months will make the difference," Kerravella said.

Claffin agreed that 3Com must better market its products to corporate users. He took a few shots at networking market leader Cisco Systems Inc., describing its treatment of users as "lax." Cisco locks customers into its technology and then acts as the "lord of the manor over selling the kelp," Claffin said.

3Com had revenue of \$699 million in fiscal 2004, compared with \$16.1 billion for Cisco in the first three quarters of its current fiscal year. Kerravella and other analysts said 3Com has to find corporate IT niches where it can compete effectively against Cisco. **© 47837**

AT DEADLINE

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3Com Hits Milestones but Seeks Path to Profitability



Brian Kavanagh, CEO of 3Com, says the company's revenue is growing, but it needs to find a path to profitability. See page 10

BUCKY CHAMBERS
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3Com had revenue of \$600 million in fiscal 2004, compared with \$10 billion for Cisco in the first three quarters of its current fiscal year. Kavanagh and other analysts said 3Com has to find corporate IT action when it can compete effectively against Cisco. ■ 47857

VAX Users See the Writing on the Wall

Though still widely used and very reliable, DEC's legacy to IT is aging

BY PATRICK THIBODEAU

The VAX system at Triumph Components has been in use since about 1996, and information systems manager Dan Blackshear couldn't be happier with it. There's just one problem: He's got to scrap it.

The system is fast, works well with Windows and "fits into the modern environment very cleanly" at the El Cajon, Calif.-based aerospace parts maker, said Blackshear. "But it's a dinosaur, and eventually it has to go," he said.

It's been four years since the former Computer Corp. shipped the last new VAX, but Hewlett-Packard Co., which acquired Compaq, estimates that there are about 150,000 to 175,000 of the systems in use in the U.S.

IT managers interviewed about VAX and its OpenVMS operating system said the machines rarely fail. Geoffroy Ives manages 150 VAX systems, including one bought in 1986 and others purchased in 1990 and 1995 by his South African company, Ekoon Transmission. Some of the systems have run for more than six years without a reboot. Reliability is "extremely high," he said.

Born in 1977

A reminder of VAX's advancing age came last week when Nemotron Engineering Inc. in Holliston, Mass., announced that it was starting a 24-hour support line for the system. "That's in response to a marketplace that really can't afford to get rid of them," said Beth Bumgarber, Nemotron's CIO. The company, which makes custom hardware components for the VAX, employs many people who once worked at Digital Equipment Corp., the company that developed the VAX in 1977, long before it was acquired by Compaq. Bob Blatt, HP's director of marketing for OpenVMS, reaffirmed the company's VAX

commitment. "We intend to continue supporting that line — we have no plans to stop it," he said. HP plans to port OpenVMS to its Itanium-based Integrity server line by the end of the year.

Users will be under increasing pressure to migrate as HP's maintenance costs increase and the reliability of the systems declines. Blatt estimates that the number of VAX systems in use is shrinking by about 10% each year.

But HP is continuing development of OpenVMS, and Blatt said that for the Integrity server, the company has more than 650 applications committed from 300-plus independent



software vendors. And in the major OpenVMS markets — financial services, government, health care and telecommunications — he expects nearly 100% of the applications will be ready for porting to Integrity.

Still, no porting effort will

be easy or inexpensive. Users are often running legacy applications that have been heavily customized. Source code may be missing, and specific hardware calls to VAX systems may have been written, complicating a migration. "That's a problem Blackshear faces; he esti-

mates that porting to another system will cost \$200,000.

One migration option is using Software Resources International SA's VAX emulator, Charon-VAX. The Geneva-based company was a former Digital software engineering center that was formed through a buyout.

One Charon-VAX user is Midwest Microwave Inc., a components maker in Saline, Mich., that was running a 10-year-old VAX machine until last year. It has moved OpenVMS and its manufacturing resource planning system to a system with dual Athlon processors, which are made by Advanced Micro Devices Inc.

"There is absolutely no migrating or porting or code conversion," said Barry Treahy, Midwest's vice president and CIO. The application "thinks it's on a VAX," he said. **Q 47854**

Intel Counters AMD With 64-bit Extensions to x86

Could affect price, supply of 64-bit x86 machines

BY PATRICK THIBODEAU

Intel Corp. last week released 64-bit extension technology for x86 workstations and in two months will deliver the technology for servers.

Intel is following Advanced Micro Devices Inc. in releasing an x86 processor that can run both 32- and 64-bit applications. AMD's Opteron has already shown that there is demand for this capability on lower-cost, industry-standard servers.

The 64-bit capability is particularly important in research environments. The University of Notre Dame in Indiana, for instance, recently installed a 256-node cluster of Opteron processors for research applications.

Gordon Wison, Notre Dame's CIO, said he expects Intel's entry in the market to "substantially increase price as well as availability of ma-

chines of this type." He said he will consider moving his 64-bit RISC-based environments to x86 extensions because doing so "could substantially reduce cost" and boost performance. But he doesn't want to be the first to use it — he will wait until application vendors have tested their software and mitigated the risks, he said.

Vendors don't appear to be expecting an onslaught of demand for 64-bit x86 applications as alternatives to ones already running on Itanium and RISC-based chips. There has been no flurry of vendors announcing 64-bit x86 versions of their software.

Tim Tribe, a product manager at financial system application vendor CODA Group Holdings Ltd. in Harrogate, England, said his company will release a 64-bit version of its software when customers demand it — something he expects will come from new users. "I see it quite clearly divided between existing users of our applications and new users," he said.

Users running in 32-bit environments, such as Paul Romano, senior manager of computer operations at Commonwealth Automobile Reinsurers in Boston, may see no compelling reason to jump to 64-bit. Romano said the 32-bit custom applications in his Microsoft shop are stable and running well. And he's not about to change that.

Intel officials said they don't see their x86 extension technology competing with Itanium, which is positioned against RISC systems.

But Randy Bryant, dean of the School of Computer Science at Carnegie Mellon University in Pittsburgh, said he believes "Itanium is dead — DOA." There may be performance

issues with x86 extensions, but "the thing about x86 is, I can run my old code on it," said Bryant. He said that multithreading technology can improve application performance in x86 environments.

The arrival of 64-bit x86 extension technology "really opens the door to all independent software vendors" to at least consider whether they should 64-bit-enable their applications," said Gordon Hafl, an analyst at Illuminata Inc. in Nashua, N.H.

The x86 extension technology will likely populate the Intel server lines of the major hardware vendors, in much the same way they have adopted Opteron. In the case of Opteron, however, Dell Inc. continues to be a significant holdout.

Although Sun, Hewlett-Packard Co. and IBM are all delivering Opteron-based hardware, a Dell spokesman said last week that his company has no plans to do so in the near future. Dell is, however, continuing to evaluate AMD's technology, the spokesman added. **Q 47893**

Itanium is dead — DOA.
The thing about x86 is, I can run my old code on it.

RANDY BRYANT, DEAN OF THE SCHOOL OF COMPUTER SCIENCE, CARNEGIE MELLON UNIVERSITY

MORE ONLINE

The Intel/AMD super-computer race heats up
Q 47854
computerworld.com

BRIEFS

Oracle Needs to Grow, Ellison Says

As part of Oracle Corp.'s defense of the bid for PeopleSoft Inc., Oracle CEO Larry Ellison testified that his company needs to grow via acquisitions to remain competitive with SAP AG and Microsoft Corp. "The only way we can increase our investment in engineering and... lower our price is to increase our installed base," Ellison said in U.S. District Court in San Francisco. Closing arguments by Oracle and the U.S. Department of Justice are scheduled for July 20. (For more details, go online: QuickLink a4740.)

Hallmark, ACS Ink IT Services Deal

Hallmark Cards Inc. said it has signed a seven-year, \$230 million outsourcing and IT services deal with Affiliated Computer Services Inc. Dallas-based ACS will offer jobs to 145 Hallmark workers and take over functions such as network services, desktop support and help desk operations. ACS is also setting up a new IT support services facility in Kansas City, Mo., where Hallmark is based.

GE Sends Some Coding Offshore

General Electric Co. said it has contracted with offshore IT services firm WinFlow Consulting Pvt. to set up and manage a software development center in Bangalore, India. The facility initially will have about 50 workers and focus on ERP, data warehousing and Web-based applications for GE's equipment services division.

Short Takes

Bangalore-based INFOSYS TECHNOLOGIES LTD. had its temper tantrum about its network after being hit by an unspecified virus.... CISCO SYSTEMS INC. said it will pay \$82 million to buy ACTONA TECHNOLOGIES INC., a Los Gatos, Calif., developer of wide-area file services software.

ON THE MARK



Dashboards Can Steer Users in Wrong...

... direction without "taking a painful exploration of underlying business processes." Sober thoughts, especially given that they come from Colin Dover, product marketing manager at Hyperion Solutions Corp., a Sunnyvale, Calif.-based business intelligence concern that supplies BI dashboards. "The technology is the easy part," he says. Dover estimates that 60% of the success or failure of dashboard implementations depends on "getting to the nub of what your business truly is." That may sound like a cliché, but "common points of alignment" among various business units aren't that easy to quantify in ways that are useful for dashboard users, he says. In other words, prepare for a truckload of meetings between your various dashboard constituencies to create meaningful business metrics. Drive carefully.

No Need for James Bond...

... with SpyCatcher 3.0, available later this month in retail outlets. But don't let the commercial release deter you from evaluating the spyware elimination tool. "It was designed with corporations in mind," says CEO Joshua Blanchfield of Tenebris Inc. in Boston, which created the software. It uses a remote

1:2

Ratio of machines infected with spyware to those not infected, according to eLabs.

And if you work in a place that discourages fun, you can suppress unwanted applications, such as games, by adding them to its database. SpyCatcher 3.0 uses an aggressive real-time prevention shield that keeps the malware from returning to the PC. Cost? Depends on how many copies you get. A recent contract for 40,000 users went for \$2 a copy, says Blanchfield.

Discipline Application Behavior...

... with new appliances. This week a San Jose start-up, nLayers Inc., ships its first

ates an "application behavior model" through deep packet analysis," says CEO Gill Razaan. He argues that most performance management tools are devoted to watching infrastructure activity such as routers and switches and not the applications, which Forrester Research Inc. estimates cause 54% of unscheduled downtime. Razaan theorizes that in a world of Web services and distributed software, "questions like, 'What is my application?' and 'Where is my application?' have become metaphysical questions and not engineering ones." To know the health of a given application means knowing more about the condition of a machine or even a set of machines. You need to look at the overall behavior of the application. That, he says, is what InSight does, by passively detecting and then observing packaged and custom applications on your network.

InSight displays the complex interdependencies and behavior of programs, then simplifies the view so managers can, say, streamline their distribution to improve performance. You can buy a subscription for \$2,438 per month or get a perpetual license for \$45,000.

Control Batch Jobs in Mixed...

... environment from Windows console. ActiveBatch from Advanced Systems Concepts Inc. in Parsippany, N.J., lets you queue jobs on Linux, OpenVMS, Unix and Windows machines to run at any time and in the correct order, establishing triggers between the successful completion of one job before another kicks off. Version 5 is ex-



pected to be ready for delivery the first week of

September. It will add Kerberos security and let you create a "job plan" that coordinates numerous jobs into a single entity for easier management. The upgrade will also add new job types, such as customized e-mail messages. Pricing has not yet been determined.

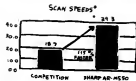
Appliance Boosts Data Warehouse...

... performance while cutting costs. A tenfold performance jump at half the price. That's the boast from Jit Saxena, CEO of Netezza Corp. in Framingham, Mass., whose Netezza Performance Server (NPS) runs a fast proprietary database on what he calls "commodity hardware." The trick, though, is to push low-cost Intel processors down to disk drives on the appliance for faster response time "so the data is processed where it's being stored," says vice president of marketing Ellen Rubin. Saxena adds that tuning the database specifically for ODBC, JDBC and SQL business intelligence queries improves performance. General-purpose, high-end Unix machines running Oracle, DB2 and even Teradata databases can't compete, he claims. Because it's an appliance, Saxena says, it's "plug-and-play and doesn't require much of that DBA stuff," saving money on operations costs. An NPS appliance can handle up to 10TB of data, but before the end of the year, Netezza plans to double or triple that. Pricing starts at \$700,000 for a 2TB machine. © 4740

Netezza Performance Server

SHARP

**DIGITAL
IMAGER**



**PRODUCTIVITY²
+ RELIABILITY²
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Business Objects Begins To Integrate Crystal Tools

Upgrade follows merger road map, adds unified software portal, CEO says

BY MARC L. BOWEN

BUSINESS OBJECTS SA last week announced a business intelligence software upgrade that provides initial ties between its products and the reporting tools the company acquired when it bought Crystal Decisions last year. In advance of the announcement, Business Objects Chairman and CEO Bernard Lianaud spoke with Computerworld from his Paris office about the merger of the two vendors and the new software release, which leads to an integration road map outlined in January [QuickLink 43946].

What's important about the announcement of Business Objects 6.5? It's the first release with the integration of the products of Business Objects and Crystal

Decisions. Business Objects has built its success in query technology at the semantic layer, and Crystal Decisions has built it on reporting.

Now the two things will be together in one product.



We've got a unified portal and dashboard for both Crystal Decisions and the Business Objects products, for the user to log in with a single username and password. It's a true common user experience between the two products. As part of the integration, there [also] will be one single Web services API for the entire product line.

What's the status of the merger with Crystal Decisions from a business standpoint? As of Jan. 1, we have been operating as one company. We defined the road map of the products for

the next two years and communicated it to all our customers and partners. We saw 11,000 customers and clarified the message to them that we are going to get an integrated product out by the end of this year. In 6.5, we'll have a lot of

integration coming in the front end, and in the next six months in the back end.

That was very reassuring for the customer base because usually in mergers, one product disappears to be replaced by the other. That's not happening here, because we didn't have that much overlap.

How has the deal affected your internal operations? We're closing some offices, and we eliminated some redundant posi-

tions. We have let about 300 people go.

What's the hot technology in the business intelligence market? Probably the No. 1 thing is performance management — using business intelligence to drive real business performance improvements with dashboards and scorecard methodologies and real-time information.... That's probably the piece we see the most interest in from the customer base. **Q 47737**

Version 6.5 Adds to Scalability, Web Capabilities

In addition to providing a consistent user interface for the Business Objects and Crystal Decisions products line, Business Objects 6.5 includes upgraded Web reporting tools as well as server optimization and enhanced caching features designed to improve scalability.

The goal is to give a broader set of corporate users access to the tools, said James Thomas, a product marketing manager at Business Objects. "We see in our customer base a trend toward expanding the size of the deployment, so we want to provide for people with less-sophisticated skills," he added.

Jonathan Rothman, director of data management at Emergency Medical Associates in Livingston, N.J., is beta-testing 6.5 and said he welcomes the front-end integration features.

EMA, which provides emergency room staffing and medical services to hospitals, has used Business Objects software for several years. It added Crystal Reports for reporting purposes last year, before Business Objects announced its agreement to buy Crystal Decisions.

"The beautiful thing now about the integration between the two tool sets and companies is that we can take advantage of

the infrastructure we've built to publish reports developed in Crystal to our Business Objects dashboards," Rothman said.

EMA runs Business Objects' Application Foundation technology also a patient-tracking system it developed in-house. Deploying the new integration software was straightforward, Rothman said.

Business Objects 6.5 is available on Windows and Solaris, and versions for HP-UX and AIX will ship later this year. Business Objects plans to support Linux by next year, Thomas said.

Stacy Cowley,
IDG News Service

Oracle Uses Acquisition to Close Gap on SOA Tools

Offers Java-based software to link business processes

BY MARC L. BOWEN

Looking to catch up to rival vendors in supporting service-oriented architectures (SOA), Oracle Corp. last week released Java-based software that's designed to make it easier for companies to craft reusable business processes.

Oracle acquired the BPFL Process Manager product when it purchased start-up vendor Collaxa Inc. last month. At last week's 2004 JavaOne Conference in San

Francisco, Oracle announced the Collaxa deal and said it's now selling the software, which supports the Business Process Execution Language specification.

BPFL Process Manager will let users tie together different applications without having to rely on point-to-point books, said Rob Cheng, director of product marketing for Oracle's application server software and tools. The new offering includes open interfaces, can run on any J2EE-compatible server and is built around Web services technologies such as the Web Services Description Language, according to Cheng.

With the software, business processes can be automated and made portable so they can be quickly adapted as business needs change, Oracle said. For instance, a company that has developed a transactional system to do business with one supplier could take the existing configurations and reuse them with another supplier.

Hypothetically, John J. Haas Inc. could use the SOA technology to more tightly link its supply chain systems with ones at some sister companies and key suppliers, said Kyle Lambert, the hops grower's vice president of information solutions. Washington-based Haas uses Oracle's database, business applications and application server.

Lambert said the applications and Internet portals

serving its business partners and customers "don't necessarily talk to each other," limiting visibility into information such as the status of orders. He added that although it's too early to tell whether Haas might deploy BPFL Process Manager, the software could help the company ex-

TECHNOLOGY DETAILS

BPFL Process Manager


• Includes a business process execution engine, plus a management and debugging console and a design GUI.

• Costs \$10,000 per CPU as an add-on for Oracle's J2EE application server software, or \$30,000 per processor as a stand-alone product.

and its business-to-business collaboration capabilities without extra development efforts. "I just hope my affiliates and vendors also use SOA-compatible systems," Lambert said.

Oracle's product release is a modest first step that at least proves it's serious about offering SOA technology, said Ronald Schmelzer, an analyst at consulting firm ZapThink LLC in Waltham, Mass.

But Schmelzer said Oracle remains behind middleware vendors such as ERP rival SAP AG, which has a more extensive SOA offering with its NetWeaver integration tools. SAP co-authored the BPFL specification with Microsoft Corp., IBM, BEA Systems Inc. and Siebel Systems Inc. **Q 47708**



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It's Time.™

Delay for FBI's Virtual Case File May Be a Blessing in Disguise

Mismanagement, design inflexibility cited in study

BY DAN VERTON

The FBI's long-awaited electronic case file system will not be fully deployed by the end of this year as planned may be more of a saving grace than an embarrassment. The FBI needs to take the time to get the system right, analysts said last week.

The system, known as the Virtual Case File (VCF), was envisioned as a means of enabling agents to conduct rapid, paperless information sharing. It's a major component of the FBI's IT modernization effort, known as Fridos. But only one module of the system, the automated workflow application, is scheduled to be deployed by the end of the year.

"Because the software program is large and complex, we are modularizing VCF capabilities and then testing them, deploying them to subset user groups, evaluating performance, and then building upon them," said an FBI official whom the agency would not allow to be identified. And that's actually a well-timed development, said analysts, who have criticized the bureau in the past for not taking a phased approach to such a large IT deployment. In addition, the bureau has only recently begun to reverse years of mismanagement and design flaws that have led to major delays and problems with the deployment of the system, analysts said.

In a letter sent to the FBI on June 9, a committee of IT experts from the National Research Council (NRC) cited "the evidence of progress" the month since it issued a

scathing report on the Fridos program. That report, sponsored by the FBI and issued on May 10, outlined a series of past missteps in the design and deployment of the VCF system that by all accounts made enterprise-wide rollout by December 2004 impractical and highly risky.

A Matter of Time

But while the progress has been "reassuring," the bureau faces many remaining IT challenges that will take time to fix, the NRC said.

For example, according to the NRC study, the VCF system was developed without the benefit of prototyping and testing. In addition, the bureau had no contingency plan in place for handling "mission disruption failures" that could stem from the bureau's planned "flash cutover" from the old

system to the VCF system.

"With limited testing, and no experience gained from a limited initial rollout, the FBI would be implementing what amounts to a prototype throughout the bureau," the NRC concluded in its study.

This approach is nearly guaranteed to cause mission-critical

failures and further delays.

In light of that criticism, the decision to delay the rollout in favor of a phased deployment is not surprising, said Bill Hamilton, CEO of Inslaw Inc., a Washington-based developer of case management software.

"It is difficult to imagine a comparably sized private enterprise ever even considering doing something like a flash cutover without rigorous testing," he said.

The initial "inflexible" design of the VCF system has also played a role in the continued delays of the system, according to the NRC. The VCF was originally designed in the mid-1990s to support criminal investigations and not terrorism

intelligence gathering and analysis, according to the NRC report, which went so far as to recommend that the FBI develop an intelligence system architecture "from scratch" rather than rely on the VCF system.

So. Design-based Science Applications International Corp., the vendor working on the VCF system, declined to comment and referred all inquiries to the FBI. The FBI official said the current contract with SAIC runs through December 2004 and that cost-sharing mechanisms will come into play if the firm doesn't deliver on the contract as outlined.

However, one of the spokesmen of the NRC report who spoke on condition of anonymity said the current delay is the result of years of mismanagement by the FBI that allowed the contractor "to run the show." The delay, however, is "actually a good thing," the official said, because the bureau has always had a choice "to do it slow and get it right, or do it fast and screw it up."

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A Review of the FBI's Tuley Information Technology Modernization Program

July 1, 2004

Executive Summary

A National Research Council report cited progress, but warned IT cutover remains

Court Blocks ISP From Reclaiming IP Addresses

BY JAKUBINA WILKINSON

An initial ruling by a New Jersey state court judge in a lawsuit filed by a Web hosting firm is causing alarm among some Internet service providers, who fear that the ruling will set a dangerous precedent for letting companies retain their IP addresses even if they switch ISPs.

But the American Registry for Internet Numbers (ARIN), a Chamblis, Va.-based organization that manages the distribution of IP addresses in North America, said those fears are misplaced. The ruling "is not a problem when read in context," ARIN said in a statement signed by Raj Prasad, its president and CEO.

Prasad added that he thinks the concerns raised about last

week's ruling resulted from the manner in which the litigation was described by one of the parties — an apparent reference to Net Access Corp., the Parsippany, N.J.-based ISP that is the defendant in the case.

University Communications Inc. (UCI), a Web hosting firm in Parsippany, received a temporary restraining order from a New Jersey Superior Court judge that allows the company to continue using its current IP addresses even though it has terminated its Internet access contract with Net Access.

Although some large companies own their IP addresses outright, ARIN typically assigns the numerical addresses to large ISPs, which in turn allocate them to their customers. The ISPs get the ad-

dress space back when customers end their contracts. But for now, the court ruling prevents Net Access from reassigning or interfering in any way with UCI's use of the IP addresses it was assigned.

"If this ruling is upheld, it has the potential to disrupt routing throughout the Internet and change practices of

business for any Internet service provider," claimed Net Access President Alex Rubenstein in a letter that was posted on the mailing list of the North American Network Operators' Group.

Allowing UCI to continue using the IP addresses compromises the "right of the provider to maintain control and use of the address space assigned to his network,"

Rubenstein said in his note. Neither Rubenstein nor UCI officials responded to requests for comment following his posting.

In its court filing, UCI said it was seeking the restraining order because it wanted to prevent Net Access from disrupting its business, while it switches ISPs. UCI added that the effort needed to assign fresh IP addresses to each of its 3,000 customers will take longer than the period specified in its contract with Net Access. © 47942

IP Address Legal Dispute

What's the deal with this?

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Delay for FBI's Virtual Case File May Be a Blessing in Disguise

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BY DAN VERTON
WASHINGTON

THE FACT that the FBI's long-awaited electronic case file system will not be fully deployed by the end of this year as planned may be more of a saving grace than an embarrassment. The FBI needs to take the time to get the system right, analysts said last week.

The system, known as the Virtual Case File (VCF), was envisioned as a means of enabling agents to conduct rapid, paperless information sharing; it's a major component of the FBI's IT modernization effort, known as Trilogy. But only one module of the system, the automated workflow application, is scheduled to be deployed by the end of the year.

"Because the software program is large and complex, we are modularizing VCF capabilities and then testing them, deploying them to subset user groups, evaluating performance and then building upon them," said an FBI official whom the agency would not allow to be identified.

And that's actually a welcome development, said analysts, who have criticized the bureau in the past for not taking a phased approach to such a large IT deployment. In addition, the bureau has only recently begun to reverse years of mismanagement and design flaws that have led to major delays and problems with the deployment of the system, analysts said.

In a letter sent to the FBI on June 9, a committee of IT experts from the National Research Council (NRC) cited "the clearest evidence of progress" in the month since it issued a

scathing report of the Trilogy program. That report, sponsored by the FBI and issued on May 10, outlined a series of past missteps in the design and deployment of the VCF system that by all accounts made enterprise-wide rollout by December 2004 impractical and highly risky.

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But while the progress has been "reassuring," the bureau faces many remaining IT challenges that will take time to fix, the NRC said.

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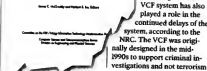
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A Review of the
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□ 4738

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BY JACQUELINE VENTURA

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Pizak added that he thinks the concerns raised about last

week's ruling resulted from the manner in which the litigation was described by one of the parties — an apparent reference to Net Access Corp., the Parsippany, N.J.-based ISP that is the defendant in the case.

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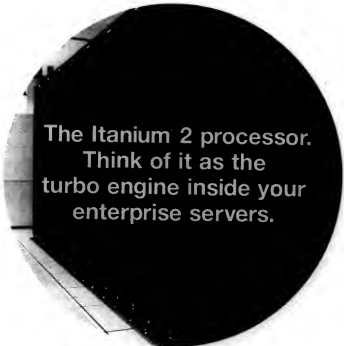
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IP Address
Legal Dispute



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BRIEFS

Microsoft to Allow Win CE Changes

Microsoft Corp. said it will share more of the source code for its Windows CE embedded operating system with hardware makers and allow them to modify the code for their own commercial uses. Companies won't be required to share their modifications with Microsoft or other CE licensees. The changes take effect in Windows CE 5.0, an upgrade that's due to be released in manufacturing this week.

Nortel to Sell Off Production Plants

Nortel Networks Ltd. said it will divest most of its remaining production facilities to Electronics International Inc., a San Diego-based contract manufacturer. The agreement is valued at between \$675 million and \$725 million and includes a four-year contract for Electronics to provide manufacturing services in Nortel.

Investment Firm Sues CA Over Pay

Ranger Governance Ltd., the Dallas-based investment firm that tried to take control of Computer Associates International Inc. in 2001, has filed a lawsuit asking that 12 former and current CA executives be ordered to pay back more than \$1 billion in compensation. The suit stems from a CA April admission that it improperly booked revenue in the past. CA said it is reviewing "the matter of compensation given or due" to individuals who are subject to an ongoing government probe.

Short Takes

THE SECURITIES AND EXCHANGE COMMISSION issued SIEBEL SYSTEMS INC., claiming that two of its executives broke financial disclosure rules last year. . . . WELLS INC. released Version 1.0 of Moon, an open-source development platform it's pitching as an alternative to Microsoft's .Net.

Banks, Brokerages Dogged By Message Storage Rules

Mandates for IM, e-mail retention pose IT challenges

BY THOMAS HOFFMAN
NEW YORK

Information technology managers at financial services firms are finding it increasingly difficult to comply with a bevy of regulations that require them to archive e-mail and instant messaging exchanges with customers and ensure that the messages can be retrieved.

The U.S. Securities and Exchange Commission, the New York Stock Exchange and the National Association of Securities Dealers have all imposed regulations on the types of information that brokerages can share with clients via e-mail or IM and how long messages must be stored so they can be retrieved for regulatory audits.

"The regulations have created a 'poisonous atmosphere'

for brokerages that are struggling to comply with them," said Stephen Shine, senior vice president and senior counsel at Prudential Equity Group LLC in Newark, N.J. He was one of the speakers at a conference on the use of messaging and collaboration tools in the financial services industry, held here last week by New York-based Information Management Network Inc.

Shine said one of the big challenges securities firms face is being able to retrieve e-mail correspondence for regulators within 24 hours, as some measures require. "Regardless of how sophisticated your e-mail retrieval system is, you won't be able to comply by tomorrow," he said.

He recommended that companies take several steps to "intervene" with regulators, such as asking for adequate time to review e-mail messages in order to determine whether any of the requested

What You Should Do

After complying with a year's storage, should businesses be required to file e-mails and retrieval efforts.

Messaging systems regularly try to ensure that they meet regulatory requirements for data backup and recovery.

Regulators of firms that could affect message retrieval, such as technical or staffing constraints.

The types of messages that need to be retrieved tend to require IR requests from regulators.

correspondence impinges on attorney/client privileges.

Not complying with the messaging regulations is a potentially costly problem. The most notable enforcement actions were taken in December

2002, when the SEC fined five broker/dealers a total of \$8.25 million for improperly storing e-mail (QuickLink 34912).

Brokerages frequently audit and test their e-mail and IM backup and recovery procedures, but those efforts are probably not done "consistently enough to meet regulatory requirements," said Andy Welch, a senior manager at KPMG LLP's risk advisory practice in Short Hills, N.J.

Regulators at the Federal Deposit Insurance Corp. in Washington are also concerned about the potential network security vulnerabilities created when bank employees use IM tools for external communications.

Attempts by banks to secure IM exchanges via the use of firewalls have proved to be "ineffective," said Kathryn Weatherly, an examination specialist in the FDIC's division of supervision and consumer protection.

In order to help reduce the security threats, Weatherly recommended that IT managers at banks set and enforce limits on which of their employees can use IM externally.

© 47836

Microsoft CRM Pace Frustrates Users

BY STACY COWLEY

After its launch in a blaze of hype early last year, Microsoft Corp.'s CRM software is on a slower-than-expected development path, frustrating some users.

Microsoft now expects to have Version 2 of the software ready in mid-2005, more than two years after it released the first version. In the interim, the company has issued point upgrades to fix bugs and expand functionality, but the current release, Microsoft CRM 1.2, still lacks features found in rival midmarket products.

"I think Microsoft CRM wasn't ready when it was released," said customer Jeremy Whiteley, CEO of Prometric Gear Inc. in Kirkland, Wash. Whiteley switched

We understood [the software] is a Version 1, but we didn't understand there would be this many challenges.

MICHAEL KRUGER, IS MANAGER
DESIGNER DOORS INC

from FrontRange Solutions Inc.'s GoldMine to Microsoft CRM but then switched back.

Whiteley said the problem was that Microsoft's software inserted a long string of characters in the subject line of every e-mail sent through the system, intended as a feature to help with tracking, the ID string annoyed many cus-

tomers, and Microsoft issued a patch to let users turn it off. That patch came after Whiteley had already decided to stop using the software.

Features TBA

Microsoft only recently acknowledged that Version 2 won't be finished this year. The update's feature set is still being determined, though Microsoft said it will include integration with Navision 4, an important addition for customers of the Navision applications Microsoft acquired.

Michael Kruger, IS manager at Designer Doors Inc. in River Falls, Wis., said his company is scaling back its Microsoft CRM use until Version 2 is available. In October, the company began rolling out the software to about 40 employ-


ees but soon hit major problems with unreliable synchronization between Microsoft CRM and Outlook.

"I like Microsoft CRM, and I believe I will like Version 2 a lot," Kruger said. "We understood [the software] is a Version 1, but we didn't understand there would be this many challenges. Had we known, we may have waited."

Holly Holt, a senior product manager at Microsoft, acknowledged that some customers are having trouble with synchronization but said that many are seeing significant improvements with the fixes that will be included in a future pack due next month. Holt added that Microsoft is "happy and on pace" with its CRM development efforts.

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Cowley writes for the IDG News Service.

A black and white photograph of a modern office lobby. In the foreground, a large Samsung 193P display is shown at an angle. The background features a curved wall of large windows and a polished floor reflecting the light. Several people are walking in the distance.

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Continued from page 1

IT Overhaul

ities, including a 30% reduction in Lend Lease's IT staff during recent years, said Miles. Lend Lease has also made a series of acquisitions and divestitures that have left the company with an overly complex IT infrastructure, Miles said.

In addition, Lend Lease consolidated seven North American data centers into its Atlanta IT facility two years ago—a move that was not accompanied by an upgrade of its technology management capabilities.

From a business standpoint, security, network and systems management are being converged now partly because Lend Lease wants to be sure it can handle competing corporate goals: opening

up online processing of bids for construction projects in order to stay competitive in that market, while making sure that financial data from its investment business is secure. The \$7 billion company's presences in the financial services market also requires it to be prepared for internal and external audits of its IT security capabilities and financial records, Miles said.

Miles and Lend Lease CIO Jay Skibinski, both of whom are based at the company's Shared Technology Center in Atlanta, wouldn't divulge the cost of the project. But industry analysts say the scope is very large, with the software costs alone perhaps amounting to more than \$1 million.

The project timeline also is ambitious. Lend Lease developed a blueprint last November, chose its vendors in Febru-

ary and started the software implementation work in March. "One principle we agreed upon at the start was the need to fire once and do it right," Skibinski said.

Lend Lease is installing management tools from BMC Software Inc.'s Remedy subsidiary, NetIQ Corp., ManagerSoft Corp. and M-Tech Information Technology Inc., as well as underlying technology from Microsoft Corp. and Oracle Corp.

Integrating the tools will let network operations engineers and help desk staffers use one primary system based on Remedy's software to "monitor all critical events and respond to them more efficiently," Miles said. Global monitoring of the company's systems and networks will be done around the clock at the Atlanta facility.



Such information should help Lend Lease determine the cause of problems affecting its systems and network components, said Michael Disabato, an analyst at Burston Group in Midvale, Utah. He noted that network faults, such as an outage stemming from a backbone cutting a fiber

cable, require much different responses than denial-of-service attacks and other security incidents.

"There is so much going on in a global network with many locations that you need some method of sorting it all out and making sense of it," Disabato said.

Scott Crawford, an analyst at Enterprise Management Associates Inc. in Boulder, Colo., has talked with Miles about the project and said he views it as "a very advanced endeavor in implementing manage-

ment architecture." Crawford added that the Lend Lease project is part of an emerging trend toward converged systems and network and security management, partly driven by the reality of IT job cuts—as is the case at Lend Lease.

The expanding capabilities of management tools also are a factor, Crawford said. Until recently, management software couldn't identify security problems as the root cause of network issues. "Increasingly, security management will be less of a product or a service in its own right and more of an aspect of management software as a whole," he predicted.

One of the biggest challenges of the project was getting the different vendors to work together to integrate their products, Skibinski said. The vendors saw risks in the process, he added, but were willing to write additional code "so they can demonstrate to other customers that they can work with other products." **■ 47806**



Lend Lease CIO Jay Skibinski says the company is a "big step" to shift culture and security.

Continued from page 1

Microsoft

said Ashok Bakshi, IT director at Schindler Elevator Corp. in Morristown, N.J. But Bakshi said he now wonders whether the company will revert to its old ways.

"They [haven't been] as arrogant, sometimes, in dealings [as] they were before," said Bakshi. But with the end of the antitrust case, Microsoft "might get back to the old ways. That's the tendency of

any big corporation," he said. Microsoft's IT industry opponents consider the decision a disaster.

"I think we will see [Microsoft] be a little more aggressive," said Mike Petit, president of ProComp, an anti-Microsoft industry group that has supported harsher remedies than those agreed to in the antitrust settlement. "They can still wreak havoc on the industry."

"For people who ask the question, 'What kinds of things can be commingled

into Windows' [the answer is], 'Anything that they choose,'" said Pettit. The settlement imposed "no restrictions at all on that," he added.

Massachusetts, joined by the Computer & Communications Industry Association and the Software & Information Industry Association, had argued that the U.S. antitrust settlement didn't go far enough and sought a range of tougher sanctions. Those

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harsher remedies included forcing the company to open-source its Internet Explorer Web browser and to allow the porting of Office to other operating systems, such as Linux. Massachusetts also sought to force Microsoft to unbundle some of its operating system functions, like Media Player.

Last week's decision likely means that the end of the legal line in that effort has been reached, legal experts said.

"A Supreme Court appeal is being a long shot for the plaintiffs," said Hillary Sterling, an antitrust attorney in Chicago who has followed the case since its beginning in 1998. "It's virtually certain the court would have no interest in even taking this case."

Microsoft officials said the development is the most important to date in resolving its antitrust battles.

The decision "has made clear that Microsoft and the rest of our industry can move

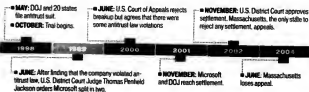
forward with this decree and judgment in place," said Brad Smith, Microsoft's senior vice president and general counsel.

The ruling in effect supports Microsoft's operating system strategy, said Smith. "The Court of Appeals made clear ... that removing code from Windows would be a huge step backward." **■ 47823**

Corrections

A story in last week's *Computerworld* incorrectly stated that Microsoft Inc. is a site of an Affiliated Computer Services Inc. data center. The data center is managed by ACS and Sun Microsystems.

The last names of David Shes, global IT security director at St. Jude Medical Inc. in St. Paul, Minn., was misspelled in last week's *Page One* story about the court's security certification. "St. Jude's security certification," *Page One* incorrectly stated. The story also misspelled St. Jude's website, which listed stjude.org last year.

Microsoft Antitrust Timeline

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Every year the prestigious American Society of Business Publication Editors (ASBPE) selects one publication with 50,000 or more subscribers to receive this top honor. The award can go to any business publication in any industry category, and we won! We are proud of our ongoing commitment to editorial integrity, audience focus and in-depth coverage has been recognized by this auspicious award.

COMPUTERWORLD

THE VOICE OF IT MANAGEMENT®

SHARON MACHLIS

A Voter's Paper Trail

IF VOTING IS a cornerstone of democracy, so is the belief that one's vote will be properly counted. That's why the stakes — and emotions — are high as vendors, government officials and citizens groups debate the use of electronic voting machines.

Advocates of e-voting systems could learn something from the e-commerce industry, which spent years battling consumer fears that online transactions were unsafe. Early Web retailers argued that transmitting encrypted credit card data over the Internet was substantially more secure than, say, giving your card to a waiter and letting him walk out of sight. But logic alone wasn't enough to persuade the masses.

It also took major marketing efforts aimed at convincing consumers that they wouldn't be liable for fraudulent transactions before large numbers of shoppers felt confident buying online. Ultimately, people were able to test the waters by making small purchases from trusted brands. When neither their identities nor card numbers were stolen, most were willing to try again.

How can voters judge whether their use of an electronic voting machine is a success? Several groups are lobbying for a "paper trail," arguing that machines should keep a paper record of each vote cast. This is a reasonable compromise between banning the machines outright and allowing software-only systems with questionable recount abilities.

An independent report issued last week recommends that election officials hire security teams to test their systems, train all poll workers on security issues, develop audit procedures and conduct "parallel" tests of a few random systems. (Because the report's goal was to offer security advice for systems already in place, it didn't address the issue of paper trails.)

However, it's doubtful that those



steps alone will convince skeptics that e-voting is secure. When well-credentialed experts say it's not that hard to hack into an electronic voting machine, voters have every right to be concerned [QuickLink 46759], even if other experts claim that such tampering is a low-level or "theoretical" risk.

Vendors need to remember that their customers aren't just local of-

ficials who sign purchase orders, but also voting citizens who ultimately foot the bill. As many IT managers have learned the hard way, end-user buy-in is critical to successfully implementing new technology. The more disruptive or controversial the system, the greater the need to convince users that they will benefit. If paper printouts are a feature that voters say they want, build them into the system.

Industry critics say that such a mandate could lead to jammed printers, which could slow or even halt Election Day voting. However, voters should be rightfully skeptical of companies that promise sophisticated hack-proof technology and yet can't make a dependable printer. As one paper-trail advocate noted, ATMs and gasoline pumps regularly give paper receipts without incident.

Others complain that the paper requirement could make the machines too expensive. But if that's the case, it would be better to delay deployment until hardware prices come down than to spike an important feature.

No one must shop online (and plenty of people still don't). We have other venues to get goods and services. Voters, though, aren't given a choice between paper or touch screen ballots when they arrive at polling places — which makes it vital that citizens have confidence in their local systems.

Paper isn't a panacea, as the 2000 Florida vote-counting debacle made painfully clear. But deploying new technology for a mission-critical function while ignoring the wishes of end users is rarely a recipe for success. **Q 47905**

Maryfran Johnson is on vacation. Her column will return in next week's issue.

PIMM FOX

Free .iq Now

IRAQ SEEMS to be everywhere. The country is in headlines and political speeches and could affect the outcome of the U.S. presidential election in November.

But it isn't on the Internet. Because of a legal dispute, the Internet Corporation for Assigned Names and Numbers has frozen the .iq address, making it impossible for Iraqi organizations, businesses and people to establish their unique identities online.

This should be changed, now. You can make the argument that now that Iraq's interim government has taken over from the Coalition Provisional Authority, worrying about online domain addresses is far down on the list of priorities, below things like public safety, reliable electricity and routine commercial air flights.

But I disagree. The task of rebuilding Iraq is immense, and any resource that can be applied to the effort should be used. The importance of making it possible for government ministries to effectively communicate and coordinate reconstruction work is self-evident.

The former U.S. administrator in Iraq, L. Paul Bremer, as well as Siyameen Ziad Othman, head of the new National Communications and Media Commission of Iraq, have both asked ICANN to release .iq for use.

So, why the holdup? It seems that InfoCorp Corp., the Richardson, Texas-based company that runs the .iq domain name, was indicted in 2002 for allegedly exporting computer equipment to Libya and Syria. In addition, the company is charged with sending money to terrorist groups in the Middle East.

Until the conclusion of the trial, which began in Dallas last month, .iq stays locked up. This doesn't make sense. The Iraqi people need and deserve the opportunity to have an electronic identity. They should be able to build Web pages, establish businesses and create electronic communities without



having to borrow domain names from other countries in the region.

One way to facilitate the use of the .iq domain would be to put it in an escrow account until the trial is completed, so it could be made available now to letting Iraq on a nonprofit basis.

Getting Iraq on the Internet could give it a technological boost and perhaps even encourage a broadband build-out of the country's infrastructure. In the past, less-developed countries have been able to move from no phone service to mobile phone service, completely bypassing the time and costs of fixed-line development.

But perhaps the most important reason to release the .iq domain is the one least likely to come with dollar signs: It has to do with this strange notion: It's intrinsically a good thing when people have a way to share their lives and are able to communicate their feelings, opinions and ideas to others through e-mail, online postings, Web sites and blogs.

It can build pride and respect. And, if you can for only a moment cut through the cynicism so prevalent in what we call a technologically advanced culture, it can give people a chance to dream.

If ever there was a country that needs to dream, it's Iraq. Freeing the .iq domain address is a start. **Q 47786**

DAN GILLMOR

The Land Of the 'Free' Hot Spots

SOMETIME soon, Boingo Wireless, a Wi-Fi wireless hot-spot service provider, will launch a product I've been bugging the company about for a long time: a Macintosh client. But now that it's almost a reality, I find myself wondering if it's too late.

Not that I've stopped using a Mac when I travel. Despite Apple's quality-control problems and the occasional application I'd like to use that runs only on Windows, I'm still a Mac user and probably remain one for the most part.

The reason I wonder if it's too late for Boingo to be useful for me is that I have doubts about the entire business model of charging for Wi-Fi access. I'm just not convinced that it makes sense.

Now, I'm not suggesting that Wi-Fi should be "free" in any serious way. What I question is the idea that hot-spot providers can charge high rates except in a fairly small set of circumstances.

A hot spot of setting up a hot spot to being driven down, down, down. Once you have a connection to the Internet, adding an access point is dirt-cheap.

More and more businesses are seeing value in adding hot spots and offering access as part of their overall service — something like the free glass of tap water you get at the restaurant before you order your meal.

If a coffee house offers me access, I'm likely to stay longer and drink more coffee. How many extra cups of coffee does a store owner have to sell every week to cover the cost of the hot spot and make a little extra?



I'd wager not very many.

I'm also baffled by some of the locations I've seen offering wireless access. Whether you're a fan of fast food or not, the idea of taking a laptop to McDonald's seems a little weird. My keyboard is the last place I'd tend to put my fingers right after eating greasy food.

Nevertheless, there are sometimes excellent reasons to use commercial hot

spots. The best reason, if the most annoying, is that you have no choice. Airports and hotels tend to lease "air rights" to the commercial providers, and sometimes the only way to catch up with e-mail on a trip is to use the commercial service.

Another good reason is something Boingo understands: the need for security in a notoriously insecure environment. Boingo creates an encrypted vir-

tual private network tunnel from the user's computer back to its own servers, a feature that adds genuine value. I have a VPN to my company's servers and use a Secure Shell server to get to my own domain, so I don't really need this feature. Nonetheless, Boingo deserves kudos for providing some security for people who don't have this kind of infrastructure.

The commercial services still don't have enough access points. They'll need to solve that problem before they have a long-range hope of getting my ongoing business.

Meanwhile, I'm still looking for "free" hot spots. There are enough of them for the average user, with more emerging all the time. That should worry the commercial providers. **Q 47606**

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READERS' LETTERS

Projects Should Be Ongoing, Never 'Done'

IN THE COLUMN "Getting to Done" [QuickLink 46760], Paul Glen touched on the difficulties of development projects but didn't see the true culture. That culture is the concept of "done." The problem arises with his premise that all projects should have a conclusion. The reality is that most development projects are support tasks for ongoing operations. By trying to segment this continuous support operation into a series of independent projects, we create big difficulties described.

I'm not saying that deadlines, budgets and resource allocations should be ignored. I'm saying that if I, as a project manager, am going to be able to meet those restrictions, then I need the ability to deliver items into the future. If a project is going to be "done," I have the options only to complete or not complete tasks; essentially, an infinite requirement is mapped onto a finite project. If the project is viewed as an ongoing operation, then I have the ability to negotiate trade-offs. If I need to have some set of features available for a trade show, then I can focus on those now and defer other issues.

In addition, as a project progresses closer to its "end," the team is much less willing to listen to new voices, regardless of how valuable

their information may be. But if the project is viewed as ongoing, new information can be addressed as appropriate.

Finally, building consensus is almost impossible in a fixed-length project. One can have only winners and losers. The winners get their issues addressed within the project; the losers do not. With an ongoing project, one can build consensus as when specific issues will be addressed and allow all stakeholders to be winners.

Wayne Mack
Development project manager,
South Riding, Va.

Respect for Sanjay

I KNOW IT is fashionable to give Sanjay Kumar and CA a hard time [QuickLink 47366]. However, as a CA user from 1978 and throughout the time I was a CTO and CEO in banking, I have to say Sanjay made a tremendous change in CA. He brought in a team that was busy with litigation to one that tried to work with its customers. Your magazine may provide the best evidence, if you go back one, three, five and 10 years and compare the amount of negative customer reaction to CA. I am not an account

holder and have nothing to gain by saying this, it's just basic decency to let Sanjay have his due respect.

Tim Bell
Senior vice president and CIO, Warner Music Group, New York

Lake Wobegon IT

IN THE June 14 issue, Frank Hayes stated, "Remember, half of all IT workers are below average." "Wage Reality," QuickLink 46047. This statement is incorrect. It is true that half of all IT workers are below the median. But about 80% of all IT workers are below average. Remember the good old 80/20 rule.

James McDowell
Hartford, Conn.

Woe, Canada

THE ARTICLE "Canadian IT Expects Say U.S. Peers Are Overpaid" [QuickLink 47346] grows several factors that in my view justify a wide difference in salaries between U.S. and Canadian IT workers. For example, many U.S. companies have decreased their health and family benefits, forcing workers to compensate. In addition, Canada's Pacific's Allen Bank adjusted his formula for wage rate to accommodate exchange rates, but

he missed the critical cost-of-living difference.

Sotiris Bournas
Senior consultant, IBM, Edmonton, Alta., sotiris@yahoo.com

IN THE print edition, the story about Canadians saying U.S. workers are overpaid is right next to one that says the Royal Bank of Canada "is delaying its processing of deposits, withdrawals and payments because of a routine programming update [at] several bank workstations to check and verify lists of millions of transactions daily." TB but that was cheap. Maybe there's a reason U.S. programmers are paid more than Canadian programmers.

Jack Beckman
Manager, applications programming, Southfield, Mich.

COMPUTERWORLD welcomes comments from its readers. Letters will be edited for brevity and clarity. They should be addressed to Jane Eckle, letters editor, Computerworld, 100 Box 9071, 500 Old Connecticut Path, Framingham, Mass. 01701. Fax: (508) 879-4843.

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TECHNOLOGY

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SECURITY MANAGER'S JOURNAL

Spyware Gets Top Billing

Mathias Thurman finds that developing a policy for dealing with spyware and adware takes on a new urgency after the CEO's home computer is infected. **Page 26**

QUICKSTUDY

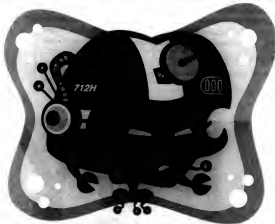
VoiceXML

This scripting language allows users to interact with speech-enabled applications. It could make it possible to surf the Web using phones, handheld devices or even household appliances. **Page 27**

CASE STUDY

Search for a View

Oil field parts and services provider Weatherford International is using Endeca search technology to top off a massive ERP and product data management project. **Page 28**



Speak Easy

BY GARY H. ANTHES

Advances in speech recognition software are extending the utility of traditional applications - and paving the way for broader use.

THE VELVETY VOICE of that nice young woman on the other end of the phone is really just digits on a disk somewhere at Verizon Communications Inc., but "she" remembers that I spoke to her a few moments earlier, before I was interrupted by another call. "I apologize if I ask some questions you already answered," the voice says. She sounds genuinely contrite.

But the virtual telephone-repair lady is just getting warmed up. "I'll test your line from here," she intones. "OK, I got the line test started. It could take up to a minute. I'll also check to see if anything's changed on the line since you last called." While the test runs, she asks me for more information about my telephone problem, and she seems to understand my every response.

Presently she says, "The line test is finished now. Unfortunately, it couldn't determine if the

problem is in Verizon's network or with your equipment, so we need to dispatch a technician. . . . Here we are—I've picked up all of our technicians' current schedules. The earliest we can schedule it is on Thursday, June 3, between 8 a.m. and 6 p.m. Can someone give access to the premises at that time?" The call is soon completed, and on June 3, so is the repair.

Computerized speech has come a long way in 20 years. As Verizon's system illustrates, the technology has become smarter, easier to use and more integrated with other applications. Such technical advances, plus product introductions that facilitate the deployment of the technology by mainstream developers, are enabling new uses for automated speech systems.

A Long and Winding Road

Research in automated speech recognition goes back to the 1930s, but serious commercialization of it didn't begin until 50 years later. In 1988, Dragon Systems Inc. demonstrated a PC-based speech recognition system with an 8,000-word vocabulary. Users had to speak slowly and clearly. One. Word. At. A. Time.

The next big step came in 1990, when Dragon demonstrated a 5,000-word continuous-speech system for PCs and a large-vocabulary, speech-to-text system for general-purpose dictation. Then, in 1997, Dragon and IBM both introduced continuous

Continued on page 24



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Continued from page 21
speech recognition systems for general-purpose use.

Meanwhile, corporations began rolling out interactive voice response (IVR) systems. The earlier ones—indeed most in use today—are menu-driven. For overfamiliar balance, say or press one. A few advanced systems are more conversational. “What city are you departing from?” Despite the steady advance, clients to bigger vocabularies, lower error rates and more natural interfaces, however, speech products have remained specialized tools for niche markets such as IVR navigation by the disabled, medical diagnosis and tightly constrained customer service interactions.

But now, previously stand-alone speech systems are linking up with enterprise systems to access other applications and span transactions. As a result, these speech systems—previously the domain of call center and telephone managers—are increasingly becoming something for the IT shop to worry about, if not manage.

Verizon’s speech application, for example, can trigger a line test, update customer accounts, schedule repairs

“With IVR, it was ‘Touch or say three.’ Now we can say, ‘I’d like to change my address.’”

JOE ALESSI
AAA MANUFACTURING

and create trouble tickets—processes that require interfaces with many systems. “If you create something that’s just a service, people get it very quickly,” says Eran Ebrahimi, senior vice president for IT at Verizon. “But for customers to really get value, you need to do something with the back office.”

Much of Verizon’s back-office functions have been redesigned as Web services and are accessible by customers over the Web or by spoken request. The new system handles some 50,000 repair calls per day and has boosted the percentage of calls that are fully automated from 3% to 20%.

Ebrahimi says. He won’t say how much the company is saving in labor costs, but he says it’s “millions and millions.”

Verizon’s National Operations Voice Portal is deployed across three geographically dispersed data centers, and calls are routed from point to point using voice-over-IP technology. The system uses speech recognition products and user interface designs from ScanSoft Inc. (which obtained much of Dragon’s speech technology via acquisition). Telephony servers at each data center are connected to back-office application servers running BSA Systems Inc.’s BSA WebLogic Server.

“The technology that used to be in behind telephone sales, managed by the call center manager, is now becoming standards-based and is being driven by the same application server that serves the Web pages,” says William Meisel, president of TMA Associates, a speech technology consulting firm in Tarzana, Calif. “Now the IT department can create the applications in an environment that’s more familiar to them.”

Better Listeners

Organizations that have deployed speech technology say that recent advancements in natural-language understanding have made the systems more acceptable to callers. “With IVR, it was ‘Touch or say three,’” says Joe Alessi, vice president for marketing and IT at AAA Minnesota, Iowa. “Now we can say, ‘I’d like to change my address.’”

The organization last year replaced a touch-tone-based IVR member service system with a self-service system built on the Web. Anything natural-language speech engine from Nuance Communications Inc. One objective was to reduce turnover in the call center by freeing agents from handling mundane calls, such as requests for new membership cards. Another goal was to address the problem of callers bailing out of the IVR system because they found the menus confusing, Alessi says.

The new system enabled AAA to reassign 20% of its call center staff as the number of calls that could be completely automated increased. And the organization has reduced processing costs by \$2 per call on average, for a total annual savings of \$200,000, according to Alessi.

T. Riney Price Group Inc. in Baltimore also upgraded its menu-driven IVR system in a free-form speech system based on IBM’s WebSphere Voice Response and Voice Server with natural-language understanding capabilities. The investment company reports big savings in telephone charges because automated

calls can be completed faster. “An area we struggled with is doing transactions in the system,” says Nicholas Welch, a vice president at T. Riney Price. “They could take three to four minutes, because you have to go through five or six menu levels. Now the same transaction takes 30 seconds because you can speak it all in one sentence.”

Tying speech systems to mainstream corporate IT systems, and the use of VoIP, are making it easier to mine data bases of voice records, much as companies have mined other customer records for years. For example, Continental Airlines Inc., which has used eQuality Balance from Atlanta-based Witness Systems Inc. to monitor calls and capture voice records and other data for three years, recently began using Witness’ new CallMiner product to analyze call content.

IVR analysis tools usually can keep track of and report on a caller’s choices based on which menu paths the caller has taken. But CallMiner and a few other tools can go into the voice record and look for specific words or word combinations. Continental, for example, recorded a sample of its 5 million monthly calls and then used CallMiner to turn the dialogues into text and mine it for certain things. In so doing, it discovered that about 10% of the calls contain the word reconfirm.

Calls to reconfirm a flight are “quite frankly low-value calls,” says Andre Harris, Continental’s director of reservations training and quality. She says she used the CallMiner analysis to justify the deployment of a new IVR system just for flight confirmations.

Continental currently has eight people listening to samples of calls in order to manually prepare a “call-mix report,” which is used for analytical purposes by marketers and business planners at the airline. “The pilot test [of CallMiner] helped me realize very quickly that I can do this with one person instead of eight,” she says.

And do better. From the manually prepared call-mix report, Continental could see that it makes a sale on only half of all calls, but it couldn’t tell why sales were lost. Telephone agents do try to elicit the reasons, and soon automated call mining will enable the airline to analyze callers’ responses, Harris says. ☐ 4763

Voice Tools Go Mainstream

Speech and telephony specialists traditionally have built speech recognition systems from complex stand-alone products. But IBM, Microsoft Corp. and others are changing that with speech products based on a broad range of application development and delivery tools.

IBM’s Voice Server speech recognition engine, its Voice Application Access middleware (for adding voice portals into enterprise applications) and its Voice Response product (for interfacing with telephone networks) are all part of IBM’s WebSphere product line. “The developer of a speech application now has access to the same tooling, application interfaces and databases that the Web programmer has had for several years,” says Eugene Cox, director of mobile solutions for IBM pervasive computing. And because the products are based on open standards such as VoiceXML, he says, not all of the components of the speech application have to come from IBM. (To learn more about VoiceXML, see Quick Study on page 27.)

Similarly, Microsoft’s new Speech Server products are intended to bring speech technology to companies that

lack huge IT budgets or employees with specialized speech or telephony skills. “We have taken standard Web programming techniques and developed tools that integrate into Visual Studio .Net,” says James Miesian, director of marketing in Microsoft’s SpeechServer product group. “You can add speech to your Web applications and program that the way you would any Web application.”

And, he says, unlike many IVR systems that “go into a black box in the system” and don’t integrate with corporate systems, SpeechServer can be integrated and managed just like other Microsoft server products.

Mark Pokras, an analyst at Zeiss Group Inc. in San Francisco, says a few companies go directly from live customer service agents to automated speech, but a more logical path is to start by building speech on top of Web applications. “Companies are saying, ‘I can do this on the Web—self-service really works. Now I’ll go back and do this on the phone.’ So they are trying to make their phone self-service as flexible and maintainable as their Web self-service.”

—Gary H. Anthes

FUTURE TALK

Researchers at IBM and IBM say advances in speech recognition systems could soon lead to less complicated applications.

QuickLink 47671

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Continued from page 21
speech recognition systems for general-purpose use.

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The new system enabled AAA to reassign 20% of its call center staff as the number of calls that could be completely automated increased. And the organization has reduced processing costs by \$2 per call on average, for a total annual savings of \$200,000, according to Alessi.

T. Rowe Price Group Inc. in Baltimore also upgraded its menu-driven IVR system to a free-form speech system based on IBM's WebSphere Voice Response and Voice Server with natural-language understanding capabilities. The investment company reports big savings in telephone charges because automated

calls can be completed faster. "An area we struggled with is doing transactions in the system," says Nicolas Welsh, a vice president at T. Rowe Price. "They could take three to four minutes, because you have to go through five or six menu legs. Now the same transaction takes 30 seconds because you can speak it all in one sentence."

Tying speech systems to mainstream corporate IT systems, and the use of VoIP, are making it easier to mine databases of voice records, much as companies have mined other customer records for years. For example, Continental Airlines Inc., which has used eQuality Balance from Atlanta-based Witness Systems Inc. to monitor calls and capture voice records and other data for three years, recently began using Witness' own CallMiner product to analyze call content.

IVR analysis tools usually can keep track of and report on a caller's choices based on which menu paths the caller has taken. But CallMiner and a few other tools can go into the voice record and look for specific words or word combinations. Continental, for example, recorded a sample of its 5 million monthly calls and then used CallMiner to turn the dialogues into text and mine it for certain things. In so doing, it discovered that about 10% of the calls contain the word reconfirm.

Calls to reconfirm a flight are "quite frankly low-value calls," says Andre Harris, Continental's director of reservations training and quality. She says she used the CallMiner analysis to justify the deployment of a new IVR system just for flight confirmations.

Continental currently has eight people listening to samples of calls in order to manually prepare a "call-mix report," which is used for analytical purposes by marketers and business planners at the airline. "The pilot test [of CallMiner] helped me realize very quickly that I can do this with one person instead of eight," she says.

And do it better. From the manually prepared call-mix report, Continental could see that it makes a sale on only half of all calls, but it couldn't tell why sales were lost. Telephone agents do try to catch the reasons, and soon try automated call mining will enable the airline to analyze callers' responses, Harris says. ☐ 47483

FUTURE TALK

Researchers at IBM and IBM say advances in speech recognition systems could soon lead to more sophisticated applications.

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Conference At-a-Glance (Subject to change)

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SUNDAY, SEPTEMBER 12

- 1:00pm - 5:00pm Pre-Conference Developer and Analyst Tracks
7:00pm - 9:00pm Welcome Reception

MONDAY, SEPTEMBER 13

- 7:00am - 8:00am Breakfast
8:00am - 12:15pm General Conference Sessions
12:15pm - 1:30pm Luncheon Sessions
1:30pm - 5:30pm General Conference Sessions
1:30pm - 5:30pm Concurrent Developer Tracks
3:45pm - 5:15pm End User Case Study and Analyst Tracks
5:30pm - 8:30pm Expo with Dinner

TUESDAY, SEPTEMBER 14

- 7:00am - 8:00am Breakfast
8:00am - Noon General Conference Sessions
Noon - 1:30pm Expo with Lunch
1:30pm - 5:00pm General Conference Sessions
1:30pm - 5:00pm Concurrent Developer Tracks
4:00pm - 5:00pm End User Case Study Track
6:00pm - 8:00pm Gala Evening

WEDNESDAY, SEPTEMBER 15

- 7:30am - 8:30am Breakfast
8:30am - 11:45am Developer Track and Vendor Tracks
11:45am Conference Concludes



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Big Blue Meets Inspector Gadget

IBM shows its not-so-staid side as its lab works to develop high-tech gizmos. By Gary H. Anthes

THERE'S NOTHING special anymore about a digital bathroom scale. But this one has its own IP address and a Bluetooth connection to a cell phone.

And nearby is a similarly equipped pillbox. Forget your meds, and it might just e-mail you a reminder.

You won't find these items at The Sharper Image just yet. They and dozens of other futuristic gizmos are prototypes at IBM's Corporate Design Center in Somers, NY.

That's right — the same company that makes million-dollar mainframes and enterprise application software. Here in what IBM calls its Gadget Lab are devices that sit at the intersection of the marketplace and IBM's vast patent portfolio. Most of the prototypes have been built in small quantities for specific customers.

IBM hopes these demo devices will turn into real products, albeit in most cases manufactured by another company. In addition to generating license fees, IBM hopes they will spawn demand for its big-ion infrastructure products. Wherever there are networked bathroom scales and pillboxes, there must be a server and some database software in the background, IBM figures.

Several forces converged to prompt IBM to establish its Engineering Technology & Services division, which owns the Gadget Lab, in October

2002. There had been an explosion in the number of applications for IT embedded in consumer products, from cars to toys to medical devices, and there had been much innovation around e-commerce. "We interviewed 76 companies at the end of the dot-com era, and there was a lot of interesting technology left on the table," says Pat Toole, general manager of ET&S.

Seeking a way to match those technological opportunities with its 20,000 active patents and 40,000 engineers, and propelled by a manage-

ment mandate to become more of a services company, IBM got into the gadgetry business. Some 200 companies have paid it to develop prototypes so far. For the first time, IBM is giving customers access to its core technologies, not just to finished products.

IBM worked with the Mayo Clinic in Rochester, Minn., to design a small magnetic resonance imaging coil that can be used to examine body parts in extreme detail. An injured arm, for example, is inserted into the coil and then the coil and arm are inserted into the tube of an MRI machine. The resulting images recorded by the coil are more detailed than those that can be obtained any other way, says Bruce Kline, Mayo's technology commercialization manager.

Doctor in the House

Why turn to a computer company for a medical device?

"Mayo and IBM are trying to get together on many levels," Kline says. "IBM's win was they learned how to do a medical device. Mayo's win was access to engineers that are good at production."

IBM is working with four companies to develop devices for wireless medical data collection. Wearable blood pressure, heart rate and EKG monitors — plus the bathroom scale and pillbox — could send real-time medical data by mobile phone to a doctor, a clinic or a pharmaceutical company whose clinical trial of a new drug includes the user of those devices. The devices could work in concert so that a physician receiving, say, adverse blood pressure or heart rate data could see that the patient hadn't taken his medication that day and re-

spond accordingly.

A communications company in Europe wanted more flexibility in pricing cell phones, and it wanted to foster demand for services over its cellular network. In response, IBM designed a cell phone "hub" that contains the phone's battery, its cellular radio and a Bluetooth device. The hub stays in a pocket or purse and communicates with application-specific cell phone modules — which IBM also designed — that contain input and output devices such as keypads, earphones, cameras or minikybboards.

This arrangement allows the cell phone owner to use the ultralight and cheap user-interface device as an ordinary cell phone. But it also lets the user employ any number of specialized mobile wireless gadgets. For example, IBM worked with Nike Inc. to fit Nike's foot-mounted pedometer with a Bluetooth connection to the cell hub. Now a jogger can automatically send time and distance data to his trainer — which might just be a Web application, not a person — and get back instructions or words of encouragement.

A stack of 27 bricks may be one of the most promising items in the Gadget Lab. Each brick in the prototype storage system contains a microprocessor, eight to 12 disk drives and communications hardware. Each brick can communicate with any other brick at 10Gbit/sec, and the bricks can be stacked to create data stor-



IBM's lab is working on a wearable Bluetooth-enabled pedometer that can be used to track a jogger's progress.

age cubes scalable to petabytes (QuickLink 460885).

An array of these bricks in the lab — a cube that's about 30 inches on each side — can hold as much information as the Library of Congress. It has 10 times the storage density of anything ever made, says Robert Steinbugler, IBM's manager of strategic design. In a few years, one storage administrator using smart bricks should be able to manage a petabyte of storage, about 100 times more than is typical today, according to IBM.

The technology is part of IBM's autonomous computing initiative. "The idea of autonomous is self-healing, or self-managing," Steinbugler says. Smart bricks perform security and recovery operations without human intervention. The system can reconfigure itself in response to and in anticipation of varying conditions and user needs. And when a disk drive fails, users can ignore it. "You don't have to replace a failed drive," says Steinbugler. "It just fails in place. Drives are a commodity; that's why we can let them fail." © 47425



data by real time.

Search View

CASE STUDY

Oil field services provider Weatherford completes a companywide ERP deployment with enterprise search technology for user access. **By Tommy Peterson**

WHEN WEATHERFORD INTERNATIONAL LTD. began deploying an enterprisewide ERP system in 2001, the company wanted to make sure it gained maximum benefit from the massive migration project. Specifically, the oil field products and services company wanted to develop advanced search capabilities that would expose the information in its new I.D. Edwards OneWorld ERP software and the Parametric Technology Corp. (PTC) Windchill product data management (PDM) system installed with it, says Bill Drake, Weatherford's ERP manager. So the company brought in ProFind,

an enterprise version of the Endeca Navigation Engine from Endeca Technologies Inc. in Cambridge, Mass.

Weatherford is a \$6 billion corporation that competes with Halliburton Co. and Schlumberger Ltd. It has grown largely through mergers and acquisitions, a process that left it with a patchwork of IT systems across 440 locations in more than 100 countries.

"We identified 60 different systems that people were using to run the business, and a lot of them didn't talk to each other," says Drake.

It had become nearly impossible to

track orders, assets and inventories. Many of the disparate IT systems came from acquired companies that used part-numbering systems that were different from the one Weatherford used.

"We had multiple part numbers for the same item and the same part number for different items in various parts of the company," says Drake. That meant that the sales staff was sometimes unsure of the availability and location of products. And purchasers for Weatherford's manufacturing operations sometimes bought components that were already in stock.

Weatherford needed to cleanse and rationalize data going into its PDM and ERP systems and make the information quickly available to the company.

Weatherford first approached Endeca for tools to help with the indexing and classification necessary for the data transformation and cleansing, and it later selected the vendor to provide the integrated search function.

As the ERP deployment rolls out incrementally,

project teams identify product lines that have had business activity within the past 24 months. Each item is then designated with a part number and classified based on its technical attributes. When two different numbers are associated with parts that have identical technical attributes, one of the numbers is eliminated.

The cleaned and rationalized parts data, along with product structure data for anything Weatherford manufactures, is then inserted into the Windchill system, which provides the engineering staff with control over the information. Windchill then publishes the data to the I.D. Edwards OneWorld system (renamed IInterprise One by PeopleSoft Inc.). Since both systems have limited search capabilities, ProFind links to each of them, exposing the data, including technical attributes and legacy part numbers, to users from all departments.

Dave Collier, vice president of manufacturing and global procurement at Weatherford, says ProFind has solved the "inherent data presentation" problems that have arisen from the ERP deployment. "Each business discipline focuses on different attributes relating to a product, and with the Endeca tool, we are able to solve this accessing issue for the entire business by presenting a combined view," he says. "This view includes detailed classification

information for each product without depending on a "smart number" that is extremely difficult to manage in a global environment."

The initial Endeca integration into the Windchill and OneWorld systems in 2002 took about four months to complete, including the requirements phase, according to Jim Fitzgerald, a senior application developer at Endeca.

"We were working with the people who owned the data sources in the company, defining the logic between [Windchill and OneWorld], and then rolling it out into the Weatherford corporate environment," says Fitzgerald.

Endeca returned to help solve some server configuration and load-balancing problems that cropped up as the ERP project scaled out to various regions. By this past spring, with the deployment progressing but with more to be done

in the U.S. and Europe, the Asia-Pacific region, 3.3 million items were already indexed and accessible through the search software.

Although integration with the PDM and ERP systems is largely limited to engineers and IT staff, the Endeca tool has required minimal training and been adopted readily by nontechnical staff.

"I see a large part of its utilization with employees that have minimal day-to-day exposure to [OneWorld], such as management and sales," says Harris.

Harris, Weatherford's drilling and well services district manager for the East Venezuela region, "It gives management real-time data to review available inventory and assets... and sales can accurately respond to a customer equipment request."

On the engineering side, says Drake, Weatherford often gets requests for oil field equipment that must be certified for specific properties such as pressure ratings, temperature ratings and corrosion resistance. What was once a laborious manual search process has been replaced by a single query to ProFind, which returns item numbers that meet the requirements along with links to certification documents in Weatherford's imaging system.

Drake says ROI on the project is difficult to sort out. "The return comes from all the pieces you put in together," he says. "I can say that because of the search technology in place, there are jobs not missed and equipment we didn't purchase because we could see we didn't have it." □ 66736

Access to Weatherford Data: Search Is Central



Search FOR A VIEW

CASE STUDY

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Access to Weatherford Data: Search Is Central



VoiceXML

DEFINITION

Voice Extended Markup Language (VoiceXML) is a scripting language for defining dialogues and specifying the exchange of information between a user and a speech-enabled application.

BY RUSSELL KAY

HTML'S ABILITY to describe layouts and pages was a major factor in the rise of the World Wide Web. But HTML has a fundamental flaw: It assumes a graphical output display on a computer. Five or 10 years ago, that was the natural and obvious thing to do.

But nowadays people want to be able to access the Web when they're away from their desktops, using phones, pagers, handheld devices and even household appliances. While most of these devices have graphical displays, at best those displays are very small, have limited bandwidth, aren't well suited to normal Web browsing and generally don't have keyboards for input or control. In business, many areas of customer support have moved to Web-based

systems, and there's a real need to make those systems accessible from any telephone without the benefit of a computer client or visual display.

In other words, we want to be able to talk to our Web pages and have them talk back to us. This is called voice browsing, and it lets users retrieve information from the Web by means of speech synthesis, prerecorded audio and speech recognition. Voice capability can be added to conventional desktop browsers, and as mobile devices become

smaller, voice interaction can provide a more practical alternative to tiny keyboards and undersized displays.

The World Wide Web Consortium is working to expand access to the Web to allow people to interact via keypads, spoken commands, prerecorded

speech, synthetic speech and music. In 1998, the W3C sponsored a voice browsing workshop. The next year, it formed a working group whose members included AT&T Corp., British Telecommunications PLC, Lucent Technologies Inc., Philips Electronics NV, IBM, Motorola Inc. and Nokia Corp. The group is working on unrelated XML-based languages and standards for developing speech applications. Called the W3C Speech Interface Framework, this platform includes the following:

- **VoiceXML 2.0**, for defining dialogues and specifying the exchange of data between the user and a speech application.

- **VoiceXML 2.1**, a small set of features that have been widely implemented by vendors.

- **Speech Recognition Grammar Specification**, for specifying the structure of user input to a

speech application.

- **Speech Synthesis Markup Language**, for specifying just how synthesized speech is rendered to the user — e.g., the type of voice used and specific pronunciations.

- **Semantic Interpretation for Speech Recognition**, which defines links between grammar rules and application semantics, so that spoken variations of the same element, such as "Coke" and "Coca-Cola," are treated as equivalent.

- **CCXML**, for specifying call control functions.

VoiceXML is the most visible part of this framework, while the other elements are essentially infrastructure.

VoiceXML leverages the other specifications for creating dialogues that feature synthesized speech, digitized audio, recognition of spoken and DTMF key (i.e., touch-tone) input, recording of spoken input and telephony. VoiceXML hides many of the complexities of telephony platforms.

VoiceXML has features to control audio output and input, presentation logic, flow, event handling and basic telephony connections. Applications built with VoiceXML can include prerecorded audio material, just as HTML can incorporate existing images in a graphical page.

HTML is oriented toward screen layouts that present multiple objects at the same time. Speech, however, is much more linear — you can hear only one thing at a time — and so VoiceXML has to control the interaction between the user and the application. In almost all cases, the application and user take turns speaking: The application prompts the user, and then the user responds.

Languages like VoiceXML and its predecessors have to support two kinds of markup: one that describes the text according to its structure or content, and another that controls aspects of how speech is to be produced, such as voice pitch and emphasis. ☐ 47675

Kay is a Computerworld contributing writer. You can reach him at ruskay@charter.net.

QUICK STUDY



MICROSOFT'S ALTERNATIVE

Microsoft is backing an alternative to VoiceXML, called Speech Application Language tags.

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BRIEFS

Fujitsu, Microsoft Team on Longhorn

Fujitsu Ltd. plans to collaborate with Microsoft Corp. to develop an Itanium-based server optimized for Windows Server 2003 and the next major Windows Server release, codenamed Longhorn. A Windows Server 2003 ship is expected in the first half of next year. Microsoft has not 2007 for Longhorn's release.

PassGo Upgrades Security Tokens

PassGo Technologies in Pittsburgh has released Version 5.1 of its Defender authentication and security tokens. Defender 5.1 provides users with a secure way to be authenticated and gain access to a secure network from any location via a Web browser, according to PassGo. Pricing starts at \$36.20 per user.

Students, Google Develop 'Monkey'

Students at the University of California, San Diego, and developers at Google Inc. in Mountain View, Calif., have jointly created an open-source tool designed to better predict the effect on real-world server performance if changes are made to things like the network infrastructure. Called Monkey, the tool first captures data from actual client sessions — what its creators call the "monkey see" portion of its work. It then attempts to emulate those conditions for server tests in the "monkey do" phase. Source code for the tool is available at <http://ramp.usc.edu/projects/monkey/>.

Sun Thin-Client User Group Formed

Sun Microsystems Inc. has formed a user group for its thin-client system, Sun Ray. The group is being led by John J. Swenson, program supervisor of technology at the Monsignor J. Joseph School Board in Southachester. The user group Web site is www.sun-ray.org.

PAUL A. STRASSMANN

CIOs Must Manage What's Left

IF ALL YOUR NEIGHBORS lose their jobs, you call that an economic recession. If you lose your job, you call it a depression. The same reasoning seems to apply to the enormous attention that computer people are suddenly giving to out-

sourcing. The fact is that CFOs have always pushed for outsourcing everything associated with the cost of goods sold. What is different now is that CFOs have shifted their target and placed IT on the top of their list of functions that should be subjected to competitive pricing.

Outsourcing is widely practiced with regard to factory labor and materials supplies, without distinction between domestic or foreign sources. It is labeled as "competitive purchasing," "best value procurement" or "commercial off-the-shelf acquisitions" (in government). After 50 years of abnormal growth in the number of IT jobs, and after a period of above-average increases in compensation for IT people, CFOs are seeking lower overhead expenses. That's where IT is most vulnerable, because most of IT is an overhead burden.

A squeeze on profits necessitates cost-cutting. When it comes to picking where to cut, why not select what has escaped pruning for at least 20 years?



The CFOs — still nursing a grudge for having lost possession of IT — are happy to oblige [QuickLink 41348].

The CFOs understand that corporations already purchase (e.g., outsource) most of their costs, as shown in the pie chart below of median values for over 2,000 U.S. corporations.

Given the high percentage already devoted to purchasing to gain a competitive cost advantage, the current outsourcing initiatives shouldn't come as a surprise. Offshore procurement would be a logical choice, since imports already account for 14% of the gross national product of the U.S.

I have calculated "outsourcing ratios" (e.g., the ratio of purchases to revenues) for over 1,000 global companies. (For a chart showing a diverse selection of firms, see QuickLink #4710.)

As a rule, I find that diversified multinational corporations — already engaged in global commerce — show higher outsourcing ratios than smaller firms. Therefore, one can expect an acceleration in the awarding of outsourcing contracts in \$100 million increments. The primary purpose of such contracts is to take over the job of migrating the obsolete client/server architectures to network-based data-centric designs. As I previously noted in *Computerworld* [QuickLink 40856], such outsourcing would pass on to vendors the technology risks for fixing the creaky and unaffordable

computing infrastructures.

Sensational headlines notwithstanding, the CFOs fully comprehend that IT does matter! IT median costs owe equal median corporate profits. They are not a mere 3% of revenues but 13% of overhead (e.g., transaction costs), which is nowadays the principal cause of eroding corporate profits.

In about a quarter of companies, IT constitutes the largest cost center and therefore will get intense attention in budget reviews. In this environment, asking for massive reductions in IT spending will always be a politically popular move — except that IT innovation has now become a strategic necessity. Without injections of new sums of money, we won't be able to free companies from 50 years of emphasis on intracompany information processing and start moving toward a future that mandates global interoperability with vendors and customers.

Whether refocusing your firm's IT infrastructure results in a bleeding amputation or in simple outpatient surgery depends on your information architecture. If you have built up your infrastructures separately for each organization, invested in isolated client/server farms, dependent on desktop-centric applications for too many applications or do not have a companywide data dictionary, you will need to remedy your conditions prior to passing on your IT infrastructure to the outsourcing with the most attractive bids.

The CFO will always show reasons for outsourcing to reduce costs. The job of the CIO after outsourcing more than three quarters of IT spending is to manage risks and preserve those parts of the IT organization that are the essential core competency for safeguarding future prosperity.

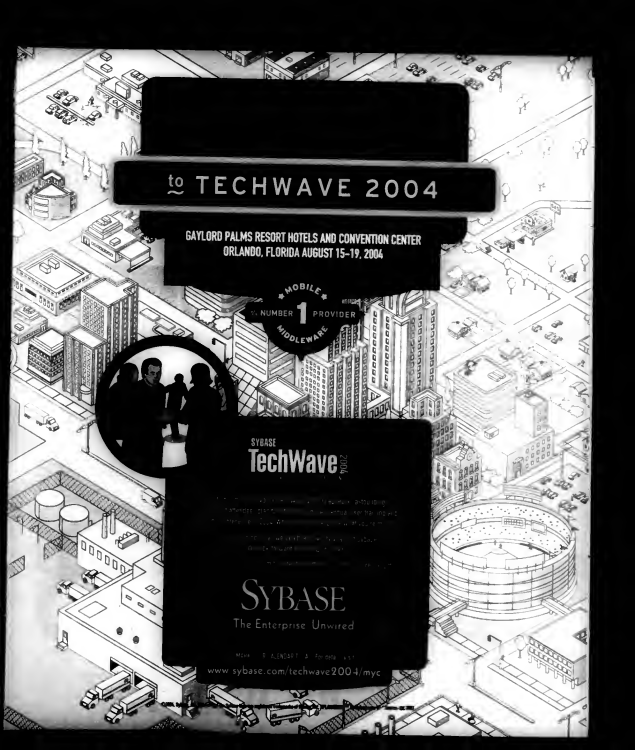
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Slicing the Corporate Pie





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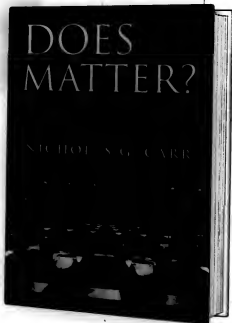
—Tony Comper, CEO, BMO Financial

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MANAGEMENT

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Shareware Grows Up

CIOs Scott R. Lleo (left) and Andrew Black got tired of the high cost of software development and thought there had to be a better way. So they developed a software co-op to share intellectual property. **Page 35**

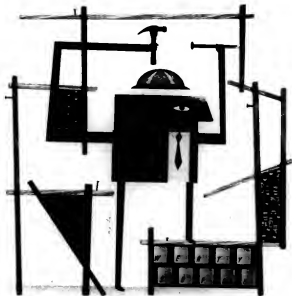
Think Tank

The IT and facilities management departments are headed for a merger in the next decade; and a new book on the future of work says it looks a lot like open-source software development. **Page 36**



OPINION The Wrong Stuff

Gearing up to make some great IT hires? Paul Glen says many IT shops will miss out on the best people because they don't know what to look for. **Page 38**



As the flow of mandates continues, CIOs who can integrate corporate compliance efforts will be ahead of the pack. **BY STEVE ULFELDER**

DO YOU BREAK OUT in a cold sweat whenever you hear the phrase Section 404? When a co-worker mentions HIPAA, do you race back to your office to figure out the earliest possible date you can retire?

If so, we've got some bad news: The Sarbanes-Oxley Act, the Health Insurance Portability and Accountability Act, the USA Patriot Act and other regulations of their ilk are just the beginning. For the foreseeable future, you can expect a steady flow of industry, state, federal and international mandates that codify the way businesses gather, store, manage and report information.

Naturally, IT will play a key role in compliance. But will that role be one of leadership or mere execution? Can IT create systems and processes that allow the corporation to easily comply with any new regulation it encounters, regardless of that regulation's specifics and origin? These are key questions, and millions of dollars ride on the answers.

Some doubt such preparedness is feasible. "Predicting the next big regulation is like trying to predict the weather," says Thomas Watson, information security project lead at West Haven, Conn.-based Bayer Pharmaceutical. "Who knows what's going to come down next?" Others, however, believe it's both possible and necessary to create a compliance management infrastructure and environment that can make future regulations less onerous to follow. Here's a look at the benefits of compliance management, the hurdles and the steps companies can take to get started.

BUILDING A Compliance Framework

Keys to Compliance

AIRM International recently published a book on IT compliance that attempts to lay out a step-by-step program for businesses. Information Nation: Seven Keys to Information Management Compliance, by Randolph Kahn and Barclay T. Blair, is filled with checklists, examples and key questions that IT must ask. Here are the seven keys, as outlined in the book:

1. Good policies and procedures
2. Executive-level program responsibility
3. Proper delegation of program roles and components
4. Program communication and training
5. Auditing and monitoring to measure program compliance
6. Effective and consistent program enforcement
7. Continuous program improvement

More info: www.airm.org

Making Lemonade

The most pervasive reason for most internal compliance management culture initiatives is the cost of meeting industry regulations. A look at the price tag for Sarbanes-Oxley drives home the cost. In a January 2004 survey of 100 companies, industry group Enigma Analytics Inc. national found that for large companies, the average cost of compliance with Sox from 404 - Message Audit Assessment of Internal Controls - was \$46 million, including 500 hours of internal staff time. So, if you're not consulting and will have to pay \$18.5 million in fees, audit fees.

Costs are forecasted, in an association survey, that 100 of 138 companies conducted another survey in July 2003 in which it was estimated 13% at large companies. That's \$18.5 million to \$5 million.

The second law is that the cost of Sarbanes-Oxley compliance is going with that. "HIPAA compliance is a basis for the other regulations. According to SOX, in fact, it can be used. Garner Inc., publishes a survey that adopt a compliance issue, compliance management has been a top priority for less than a year than those that don't

"In many organizations, the first reaction to a new regulation is to create a 'tiger team' to address the issues," says Garner analyst Lane Leskela. "But if you've just these teams for three or more regulations, the redundancy makes no sense."

A compliance strategy can also provide a competitive edge. If your business can respond quickly to new regulations while others in your industry remain stuck in tiger-team mode, the advantage goes to you.

Spearheading

While it's tough to anticipate future regulations, it's a sure bet that data governance will be a critical component of compliance. That's why it makes sense for CIOs to lead the charge.

When business leaders look at compliance, they look at the letter of the law, not responsibility," says John Hagerty, an analyst at Boston-based AMR Research Inc. "I can say, 'Here's how we can automate so it's not such a pain next time.' Technology can lead the compliance effort because they can ignore departmental and line-of-business barriers and comprehend the big picture regarding data and data flow."

It is also important to look externally by leaning on software vendors to more fully develop their offerings so that there are fewer security vulnerabilities and less reliance on patches. Experts say today's premature commercial software releases and subsequent frequent patching make it difficult for companies to verify the integrity of their systems. Where data integrity and security are concerned, "IT must say to suppliers that it cannot live with unsafe technology," says Alan Pallier, director of research at the SAS Institute in Ithaca, N.Y. "Today, there's not sufficient pressure. IT groups are allowing vendors to sell them systems full of holes."

Elements

So how do you create systems with an eye into compliance? Essentially, for starters, nobody expects IT groups to start their infrastructures overboard and start from scratch. John Mancini, president of industry group AIRM International in Silver Spring, Md., says a doable approach is to keep in mind a regulation that you know is pending. Then, when you upgrade a technology component that will be affected by that regulation, shop accordingly. For example, a business that's heavily affected by

You can't buy a compliance architecture; they don't exist.

John Hagerty, analyst
AMR Research Inc.

HIPAA should consider that regulation when exploring a new control offerings.

AMR's Hagerty agrees. "You can't buy a compliance architecture; they don't exist," he says. "So you look at hot buttons for your company to see what you must handle first, and

use that to decide what architecture pieces you must put in place first."

Myriad technologies play a role in compliance support:

- **Business process management applications**, for both reporting and risk forces; strong
 - **Enterprise resource planning**, to ensure that controls are in place
 - **Search and retrieval**, for information discovery and communications monitoring
 - **Storage (software and hardware)**, to protect and retain data
 - **Security**, to control access, protect data and ensure that systems are available
 - **Content management**, to control access and handle document compliance efforts
 - **Records management and e-mail archiving**, to meet retention regulations
 - **Data and application integration**, to make unstructured data usable and ensure the data's reliability
 - **Business process automation**, to monitor key processes and define relationships among data
- In addition, vendors have begun to roll out general-purpose compliance management applications (as opposed to applications focused on a single reg-

ulation). Aventis Inc., IBM, Documentum and iXisNet Corp. have fielded products, and many others are expected to follow suit.

Challenges

IT managers who attempt to raise compliance consciousness about compliance shouldn't necessarily expect a hero's welcome. According to Garner's Leskela, too many corporations still approach regulations the way they did when Sarbanes-Oxley became an issue: "Businesses decided this was an issue for finance, and finance said to IT, 'You'll get involved when we say you'll get involved,'" he says.

Leskela adds that in interviews with many of the largest, best-managed companies in the U.S., Garner found a disrupting number of process management, such as preventing legal, financial audit and IT audit groups from working together. "Organizations just don't connect senior management of business divisions to corporate legal, IT and finance groups," he says.

Making these connections is the first challenge, and a tricky one at that. Unwittingly to lead the company's compliance management program is sure to be viewed by some as a power grab. Nevertheless, it's worth the effort. **CW455**

Udicker is a Computerworld contributing editor in Southboro, Mass. Contact him at udicker@earthlink.net.

WANTED: IT INVOLVEMENT

Send corporate audits an unwelcome IT shudder. Insurance is Web site Section 404 compliance.

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Technologies Involved in Compliance

	CRM	ERP	ENTERPRISE LEAD- ER	FILE STORAGE	IT PORTFOLIO	MAIL	MANAGEMENT SYSTEMS	SECURITY
Financial compliance and BPM/analytical apps								
ERP								
Business intelligence and data warehousing								
Content/document management and search								
Data/app integration								
Business process automation								
Records management and e-mail archiving								
Storage SAN/RAID								
Security								



Making Lemonade

The most persuasive reason to institute a compliance management culture is to reduce the cost of meeting individual regulations. A look at the price tag for Sarbanes-Oxley drives home the point. In a January 2004 survey of 321 companies, industry group Financial Executives International found that for large companies, the average cost of compliance with Section 404 — Management Assessment of Internal Controls — was \$4.6 million, including 35,000 hours of internal staff time, \$1.3 million for consulting and software and \$1.5 million in new audit fees.

Business Roundtable, an association of CEOs of U.S. companies, conducted another survey in July 2003 in which it polled 150 CEOs at large companies. Half said their compliance costs would range from \$1 million to \$5 million; some estimates topped \$50 million.

The good news is that the cost of Sarbanes-Oxley compliance, along with that of HIPAA, can be used as a basis for meeting future regulations. According to Stamford, Conn.-based Gartner Inc., public companies that adopt a comprehensive compliance management architecture will spend 50% less per year than those that don't.

"In many organizations, the first reaction to a new regulation is to create a 'tiger team' to address the issues," says Gartner analyst Lane Leskela. "But if you've got these teams for three or more regulations, the redundancy makes no sense."

A compliance strategy can also provide a competitive edge. If your business can respond quickly to new regulations while others in your industry remain stuck in tiger-team mode, the advantage goes to you.

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It's also important to lead externally by leaning on software vendors to more fully develop their offerings so that there are fewer security vulnerabilities and less reliance on patches. Experts say today's premature commercial software rollouts and subsequent frequent patching make it difficult for companies to vouch for the integrity of their systems. Where data integrity and security are concerned, "IT must say to suppliers that it cannot live with unsafe technology," says Alan Paller, director of research at the SANS Institute in Bethesda, Md. "Today, there's not sufficient pressure: IT groups are allowing vendors to sell them systems full of holes."

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So how do you create systems with an eye toward compliance? Gradually, for starters: nobody expects IT groups to toss their infrastructures overboard and start from scratch. John Mancini, president of industry group AAIM International in Silver Spring, Md., says one digestible approach is to keep in mind a regulation that you know is pending. Then, when you upgrade a technology component that will be affected by that regulation, shop accordingly. For example, a business that's heavily affected by

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John Hagerly, analyst,
AMR Research Inc.

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IT managers who attempt to raise company consciousness about compliance shouldn't necessarily expect a hero's welcome. According to Gartner's Leskela, too many corporations still approach regulations the way they did when Sarbanes-Oxley became an issue: "Businesses decided this was an issue for finance, and finance said to IT, 'You'll get involved when we say you'll get involved,'" he says.

Leskela adds that in interviews with many of the largest, best-managed companies in the U.S., Gartner found a dispiriting number of process management silos preventing legal, financial audit and IT audit groups from working together. "Organizations just don't connect senior management of business divisions to corporate legal, IT and finance groups," he says.

Making these connections is the first challenge, and a prickly one at that. Volunteering to lead the company's compliance management program is sure to be viewed by some as a power grab. Nevertheless, it's worth the effort. **47455**

Ulfelder is a Computerworld contributing writer in Southbury, Mass. Contact him at ulfelder@charter.net.

WANTED: IT INVOLVEMENT

Some corporate executives are blaming IT staffers' reluctance to help with Section 404 compliance.

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Technologies Involved in Compliance

Enterprise
ERP
CRM
SCM
HRM
ITSM
BPM
EPM
RPM
SPM
TSM
VPM
WPM
XPM
YPM
ZPM

SHAREWARE Grows Up

A friendly group of Midwestern CIOs is saving money by pooling resources and software. **BY CJ RHOADS**

IN JULY 2004, Andrew Black and Scott R. Lien were having a drink after work and commiserating about the high cost of software and intellectual property development. Lien, then vice president of information services for customer-facing systems at Best Buy Inc., had just been burned by a vendor that decided to take its software in a different direction—leaving Lien high and dry for future updates. He and Black, CIO at Jostens Inc., knew from years of experience that they were both purchasing the same software and coding the same integration functions. They decided there had to be a better way.

In yet another after-work conversation, they enlisted the help of Elmer Baldwin, CEO of consulting firm Born Information Services Inc. The plan: Form a member organization to share resources such as software, utilities and IT planning tools.

"Initially," Baldwin said, "I thought they were nuts!" But he took on the project, began to investigate and soon was hearing a litany of complaints from CIOs about the cost of duplicated development efforts.

Meanwhile, Baldwin, Black and Lien met monthly. They hired Minneapolis-based Dorsey & Whitney LLP to work through the legal issues, consulted with prospective members and developed a business charter. Last fall, they formalized the structure as Avalanche Technology Corp., a for-profit Minneapolis-based cooperative, and hired Jay Hansen, formerly general manager of Asia-Pacific operations at Retek Inc., as CEO.

Companies pay \$30,000 a year for an Avalanche membership, which entitles them to use any of the intellectual property that has been donated to the cooperative by other members. There are currently four members, with four

more in various stages of approval, and about 30 intellectual property assets are being legally cleared for use. "Our goal is to grow by at least 10 companies within the next year," Hansen says. Members log onto www.avalanche.coop, where they can review and download intellectual property or upload property they wish to donate.

Intellectual property assets can be integration applets, application add-ons, best-practice documentation, templates, project plans, user interfaces, software coding or schemas. "Anything that makes it easier to implement software," Baldwin says. "The financial models project a 30% to 40% decrease in the total cost of ownership of software at member companies," he adds. Lien explains the Avalanche mission: "We want to take the friction out of collaboration," he says. "We are all under tremendous cost pressure to save money, and through Avalanche

we can save each other money."

"Software cooperatives are a great idea," says Bob Lewis, president of IT Catalysts Inc., a consulting firm in Eden Prairie, Minn. "I'm surprised that it took so long to happen. It really legitimizes the open-source model."

Beyond Open-Source

Lien says the co-op model is similar to that of open-source but takes the concept further. "This is the next level beyond open-source," he explains. "With open-source, there is too much risk. You are stuck maintaining and supporting anything you develop. That can get resource-intensive."

With Avalanche, Lien says, the co-op becomes responsible for the asset and also ensures that there's a clear title so member companies can't be sued later. "It is great for the donating companies," he says. "The larger the installation base, the lower the cost of ongoing maintenance."

John Schmidt, vice president of integration at Best Buy, echoes that idea. "It's easy to informally collaborate with just one or two developers; companies do it all the time. But beyond that, you begin to run into risks," he says. For example, Best Buy was using an open-source framework available at www.openadaptor.org, but the original developers stopped supporting it, leaving Schmidt hanging. Later, when Best Buy developed its own framework for coding integration adapters, the company donated it to Avalanche.

The charter members of Avalanche are Jostens, a provider of affiliation products such as groupware; ePredict Inc., an employee assessment firm;

Show Me the Money

The Avalanche co-op is still young, but early members have already seen the value of the pool. At Best Buy, the company has saved an estimated \$25,000 to \$30,000 in software licensing costs since joining the co-op.

At Jostens, the company has saved an estimated \$25,000 to \$30,000 in software licensing costs since joining the co-op.

At Best Buy, the company has saved an estimated \$25,000 to \$30,000 in software licensing costs since joining the co-op.

—CJ Rhoads

where Lien is now CIO. Born Information Services and Integral Business Solutions. All four are based in the Minneapolis area. As technology service providers, Boro and Integral are obligated to donate services in addition to paying the membership fee.

Hansen says that competition among members shouldn't be an issue because the shared assets don't bring competitive advantage. "We fully expect competing companies to join and share," he says. But he acknowledges that getting members to really collaborate is a challenge.

Baldwin agrees. "We are looking for more than just money," he says. "We want member companies to get involved, to participate." They hope member companies will donate intellectual property, cooperate in adapting it for other companies, help troubleshoot problems and form subgroups to develop needed niche software for the library.

As of June, a discussion board on the Avalanche site had been discontinued because of vandalism, but Schmidt is still optimistic. "Six months from now, the site will be very active," he says. "The idea hasn't been proven yet. It's a leap of faith. But I think it will work." **● 47440**

Rhoads is a freelance writer in the Philadelphia area. Contact her at CJRhoads@ETMAassociates.com.

AVALANCHE GETS ROLLING

Avalanche CEO Jay Hansen talks about the formation of the organization.

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Avalanche Technology Corp. is a for-profit Minneapolis-based cooperative. The company's members include Best Buy, Jostens, ePredict and Retek. The company's CEO is Jay Hansen.

ThinkTank

CIOs to Manage Buildings, Too?



Best Bits

• **IT's a hard sell**—CIOs are still the least trusted executives in the company, according to a survey by the Ponemon Institute. [Read more](#)



Things to Ponder

- Less is more

- What's the next big thing in IT?

Dirty data

• **Dirty data**—A survey by the Ponemon Institute found that 47% of companies have experienced a data breach in the last 12 months. [Read more](#)

Privacy Brands

Consumers say these are the most trusted companies for protecting their privacy:

1. Alltel Inc.
2. American Express Co.
3. Procter & Gamble Co.
4. Amazon.com Inc.

BIMS Survey of U.S. B2C companies
DESIGNED and study by the Ponemon Institute,
 Tucson, Ariz., and Trust, San Francisco, June 2004

The IT Economy

- The IT department has taken over prior procurement from office managers, since providers are on the net, work says a report by Merrill Lynch & Co. analysts. The firm's survey of 100 CIOs found that 80% are in charge of buying printers, though it's a relatively low priority task.

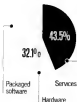
- IT outsourcing spending will grow 9% this year, while spending on IT consultants and help desk staff will stall at 3% and 2% growth, respectively, according to a Forrester Research Inc. survey of 75 CIOs.

- The combined IT spending in California, New York and Texas is almost equal to IT spending in Japan, the second largest market in the world, IDC reports.

U.S. IT Spending Forecast

2004 SHARE

Packaged software will make up only 24% of IT spending ...



2004 GROWTH

... but it will be the fastest growing segment.



SOURCE: IDC, FRANKFORD, MASS.
MAY 2004

Watch

Richard LeFave



TITLE: CIO and senior vice president
COMPANY: Nextel Communications Inc.

LeFave, a Computerworld Premier 100 IT Leader, is this month's guest columnist. He answers readers' questions about breaking into management, the outlook for older IT workers and pursuing an advanced degree. If you have a question you'd like to pose to one of our Premier 100 IT Leaders, send it to askaleader@computerworld.com and watch for this column each month online and in print.

Even though I have more than 20 years of support, development and project management training and experience, and a bachelor's degree, I haven't been able to break into management. Should I simply focus on improving my technical skills, or insist on joining management?

20 years. Is there a tendency among hiring managers today to look at any one over 55 as obsolete—even though we have current skills?

With so many jobs being outsourced, what are the opportunities for IT professionals of the future?

I am an undergraduate student in computer information systems. I am considering graduate school. Which would be more beneficial: a master's degree in business administration or in information systems management?

I'm 58 years old and have been in IT since 1969. I've been a Unix systems administrator for 10 years and a mainframe systems programmer for

Stateside Pay Slide Tied to Offshore Outsourcing

trending downward for U.S. IT workers whose jobs are most susceptible to offshore outsourcing, according to new research conducted by Foste Partners LLC in New Canaan, Conn. Pay for both noncertified application programming and enterprise application development skills declined 2% in the first quarter of 2004 and between 19% and 20% over the past two years. Mean while, certified application development skills have not fared much better. They have lost nearly 15% of their value over the same two-year period. "This is premium skills pay that has traditionally been used to retain and motivate workers," says David Foste, president and chief research officer of Foste Partners. "As more programming work is transferred offshore or at least directed away from IT full-timers, premium pay becomes unnecessary."

Getting Colder

The following job functions have lost between 17% and 36% of their premium bonus pay in the past year:

- GIAC Certified Firewall Analyst
- GIAC Certified Incident Handler
- Siebel Certified Consultant
- Sun Certified Java Programmer
- Microsoft Certified Systems Engineer - Internet
- Microsoft Certified Professional - Internet

Still Hot

Strong demand can be expected for the following groups of certified and noncertified skills over the next year:

- Security
- Linux
- XML variants/Web services
- VoIP
- Wireless
- Enterprise project management
- Web-enabled analytics, management applications

Tail Tales

THE REASON FOR LEAVING
I have been in IT for 10 years and have been a Unix systems administrator for 10 years and a mainframe systems programmer for 10 years. I am considering graduate school. Which would be more beneficial: a master's degree in business administration or in information systems management?

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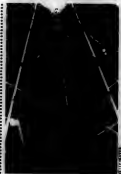
ThinkTank

BRAIN FOOD FOR IT EXECUTIVES

CIOs to Manage Buildings, Too?

If you've ever relocated a data center or moved a headquarters, you know how much the IT group and the facilities management group need to work together. The two departments must coordinate myriad details about electrical power, heating and cooling systems, security and telecommunications. Otherwise, you'll have insufficient cooling for those red-hot blade servers, or telecommunications circuits that are provisioned too late for the move.

To improve coordination, a few companies are starting to combine IT and facilities management functions in a single group, a merger that could become mainstream in five to 10 years, says Joshua Aaron, presi-



dent of consulting firm Business Technology Partners Inc. in New York. "Facilities managers need to know a lot more about technology than they used to. And technology managers need to know a lot more about facilities than they used to," Aaron says. "Technology is now so woven into the fabric of office space that I don't think these things can be [separate] anymore."

That's especially true in the "smart office" of the future, Aaron says. Integrated building systems will recognize that a particular employee has entered the building (via biometric access controls), provide just-in-time lighting along his path, boot up his PC and set the customized temperature in his office. Those capabilities exist today, Aaron says, but they won't be widely affordable for seven to 12 years.

—Mitch Betts

Best Bits

The most useful parts of recent business and IT management books

THE BOOK: The Future of Work, by Thomas W. Malone (Harvard Business School Press, 2004).



You know how open-source software is created by a widely dispersed bunch of highly talented people who come and go but at some point focus on

this particular software project?

That's the future of work, according to MIT organizational guru Thomas Malone. Projects will be handled by "flexible webs of small companies," or ad hoc teams of internal experts, or electronically connected freelancers. Malone calls the latter group e-lancers, and already there's an online marketplace where buyers can receive bids from service contractors (www.elance.com). Afterward, the team will disband

and regroup in different combinations for other projects.

This is all made possible by cheaper communications and collaborative IT, of course, but it will require new ways of managing: more coordination, less command-and-control. And Malone says we'll need to establish *guides* — reminiscent of the craft associations of the Middle Ages — to make sure e-lancers have health care benefits, financial security, training, recognition and social interaction with their peers.

— Mitch Betts

Things to Ponder

■ **Less is more.** World-class IT organizations spend 18% less than average ones and operate with 36% fewer employees while still providing higher levels of strategic value to their companies, according to a benchmarking study by The Hackett Group in Atlanta, a unit of Answerthink Inc.

■ **What's the most big thing in IT?** Merrill Lynch & Co. asked 100 CIOs that question and the most common answer was "don't know," followed by security and

wireless/RFID. Obviously there's no killer app on the horizon, but Merrill Lynch analysts say that sensors may be a big deal in a couple of years (Quick-Link 44641).

■ **Dirty data.** Companies are basing important decisions on bad information, says Gartner Inc., which estimates that more than 25% of the critical data within Fortune 1,000 businesses is inaccurate or incomplete. © 47651



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Career Watch

ANALYST CORNER

CIO advice
for IT professionals

Next:
Career advice
for IT professionals

LeFave, a *Computerworld* Premier 100 IT leader, is the month's guest columnist. He answers readers' questions about breaking into management, the outlook for entry IT workers and pursuing an advanced degree. If you have a question you'd like to pose to one of our Premier 100 IT leaders, send it to:

and watch for this column each month online and in print.

Even though I have more than 20 years of support, development and project management training and experience, and a bachelor's degree, I haven't been able to break into management. Should I simply focus on improving my technical skills, or instead on joining management? If moving into management is something you want to do, I think your technical leadership skills could support a move. The issue sometimes is making your management aware of what you want to do. Start with HR and take the time to promote your career design with them so they can be a supporter.

I'm 58 years old and have been in IT since 1988. I've been a Unix systems administrator for 10 years and a mainframe systems programmer for

20 years. Is there a tendency among hiring managers today to look at anyone over 55 as obsolete—even though we have current skills?

The power of the IT profession is that it gives people the ability to bridge age and gender gaps; the need for technically competent leaders provides a level playing field. Mobility and skill sets play an important role in being considered for the right job for you. Broadening your skills always helps, and adding capabilities in project management, benchmarking analysis and balanced scorecard techniques are very valuable adjuncts to a solid Unix background. Adding Linux expertise broadens technical skill sets as well.

With so many jobs being outsourced, what are the opportunities for IT professionals of the future? The areas that will continue to grow at a fast rate include local and wide-area networks, database administration, systems administration and business systems analysis.

I am an undergraduate student in computer information systems. I am considering graduate school. Which would be more beneficial: a master's degree in business administration or in information systems management? I think that an undergraduate degree in computer science coupled with a few years of work experience makes a solid launching platform for either graduate degree. An MBA will provide a valuable experience in business operations and insight into where IT can best be deployed. You can customize either degree with courses that cross over, thereby getting the best of both worlds. Getting some work experience first will give you insight into which degree makes the most sense for you.

Stateside Pay Slide Tied to Offshore Outsourcing

BASE AND PREMIUM PAY is trending downward for U.S. IT workers whose jobs are most susceptible to offshore outsourcing, according to new research conducted by Fouts Partners LLC in New Canaan, Conn. Pay for both noncertified application programming and enterprise application development skills declined 2% in the first quarter of 2004 and between 10% and 20% over the past two years. Meanwhile, certified application development skills have not fared much better. They have lost nearly 10% of their value over the same two-year period. "This is premium skills pay that has traditionally been used to retain and motivate workers," says David Fouts, president and chief research officer of Fouts Partners. "As more programming work is transferred offshore or at least directed away from IT full-timers, premium pay becomes unnecessary."



SOURCE: FOUTS PARTNERS LLC, JUNE 2004

Tail Tales

IT professionals are being laid off at a faster rate than other workers, according to a survey of 300 executive recruiters at Korn Ferry International, a Los Angeles-based executive search firm that serves Fortune 500 companies. Other areas where white-collar job hunters are most likely to stretch the truth are job commitments and their job responsibilities. Sometimes candidates are uncomfortable about how they landed out of or left a previous position, says Robert Dantzer, president of Korn Ferry North America. "But

rather than speak candidly about reasons for leaving, they will often brag about how they got the job. The reality is that slow-motion restructuring has put more people in jeopardy and are becoming increasingly accepted by employers."

Nonetheless, potential employers remain diligent about performing background checks. In managing executive job candidates, Korn Ferry's Human Resources and Employment Services Division and Korn Ferry's Top 100 are the top three types of checks that employers use. **CW**

EXEC TRACK

Steele Moves to Dentega as CIO

Patrick S. Steele has been named senior vice president and CIO for The Dentega Group Inc., the San Francisco-based holding company that includes Delta Dental of California and operates in 16 states plus the District of Columbia. He assumes the responsibilities of Martin Whitman, who is retiring. Steele is a 35-year veteran of Allstate's Inc., the nation's second-largest grocery retailer, serving most recently as executive vice president and CIO.

Applegarth Named CIO at New Airline

Don Applegarth has been named CIO at Virgin America, a new domestic airline with headquarters in New York. He previously was a vice president at NetScout, a division of Accenture Ltd., where he focused on business development for the division's airline reservation systems. Virgin America plans to begin service in 2005.

Becton Dickinson Picks Natale as CIO

J. Peter Natale has been named vice president and CIO at Becton, Dickinson and Co. in Franklin Lakes, N.J. He will have responsibility for global IT operations. Natale comes to the medical technology company from General Electric Co., where he most recently led the IT group for the American Consumer & Industrial division, a \$9 billion business unit.

May to Take Over IT at Digimarc

Digimarc Corp. in Tualatin, Ore., announced the appointment of John May as CIO. May previously served as senior vice president and CIO at Medical Management International Inc. for five years in Portland, Ore. Digimarc provides products and services for securing personal identification.

PAUL GLEN

The Wrong Stuff

NOW THAT IT DEPARTMENTS are starting to do just a little recruiting, it's time to think about how to hire the best and brightest people. Despite having had a few years when they could be really choosy, hiring managers seem to have lost sight of how to pick great employees.

We've all seen job postings with statements like, "Must meet all requirements below to be considered. Otherwise, don't waste our time by applying." What

follows is invariably a list of required experience that would elude even the most energetic and accomplished centenarian. Usually the list includes a long string of ill-considered, mutually incompatible skill sets and temperaments. Statements like, "Must have a successful record as a sales hunter, a seller of large-scale software solutions to senior executives and a J2EE programmer, with a minimum of 25 years of experience," seem all too common.

I imagine some junior HR person fresh out of college sitting in a windowless cubicle sifting through piles of résumés.

"Himm. Here's one. Ooops. Only 24 years of Java. Reject. Next. Steve Jobs; that name sounds familiar. Oh, didn't finish college. Next."

I'm not suggesting that hiring managers shouldn't be choosy now that they have the chance, but they should use the opportunity to choose based on meaningful criteria. Too often, it seems, these attempts to be selective are based on a few myths that lead to poor decisions.

Myth 1: Past Experience Equals Future Success

At the heart of absurd selection criteria is the assumption that an appli-



cant's previous experience doing exactly the same job implies future success. But there are a number of problems with hiring someone to re-create a previous performance.

People frequently try to repeat past success by doing things exactly the same way as before, failing to recognize the uniqueness of the new situation. In fact, if someone has done a job before and been wildly successful, he's unlikely to reproduce the results. Early success doesn't lead to learning. Failure is a much better teacher.

Also, people get bored doing the same things over and over again and don't engage completely with the job.

A much better rule to follow when hiring would be "past drive for success implies future drive for success." The desire to be effective is much more enduring and important than some specific experience. You can see it in a progression of increasing responsibility, but mostly it comes through in the interviews.

Myth 2: Specialization Equals Productivity

This myth has deep roots in the business community. Ever since studies of scientific management were conducted at the turn of the last century, spe-

cialization has been considered a bedrock of productivity. The more specialized someone is, the more productive he must be. Obviously, this belief has served us well over the past 100 years or so, helping to multiply the productivity of physical labor by a factor of more than 50.

But just because this assumption has proved true for improving the productivity of physical labor, that doesn't necessarily mean that it will work the same way for improving the productivity of knowledge work.

A better assumption would be that every organization and project needs a blend of both deep specialists and broad generalists. Hiring a bunch of specialists more often results in internal competition and posturing than in outstanding productivity. In the right environment, people with varying perspectives find the most efficient and creative solutions to the problems at hand.

Myth 3: You Can Do Only One Thing Well

This myth assumes that each of us is entitled to only one primary skill. If someone has pursued a career writing mystery novels, he clearly can't be much of a programmer.

For me, one of the great privileges of being in IT has been working with just these sorts of talented polymaths. I've worked alongside people who started their careers as opera singers, concert pianists, high school teachers, mathematicians, physicists, historians, salespeople, factory workers and psychologists. They all bring varied perspectives from their other careers, enriching our work experiences and the quality of our technical products.

If we allow these people to be forced out of the industry by checklist recruiting, our projects and work lives will be poorer for it. © 47006

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FRANK HAYES • FRANKLY SPEAKING

Excuses, Excuses

IT'S INCREDIBLE — THAT'S THE ONLY WORD FOR IT. In May, the Justice Department said it couldn't copy what's supposed to be public information in one of its databases because "implementing such a request risks a crash that cannot be fixed and could result in a major data loss, which would be devastating. In addition to running the risk of data loss, this is a new feature request which would be costly and take a considerable amount of time to implement."

Yes, this Justice Department bureaucrat actually said that copying a database could destroy the data and produce an unfixable crash. And that it would be costly and take time.

And we've been worried about Sarbanes-Oxley. Silly us.

Details of this database problem are sketchy. All we know for sure is what's in a letter to the Center for Public Integrity, a Washington watchdog group. In the letter, the Justice Department denies the group's request for a copy of the government's database of foreign lobbyist activity under the Freedom of Information Act.

The database exists, and it's supposed to be publicly available. In fact, Justice is legally required to generate a report from it for Congress twice a year. But the most recent report was for the second half of 2002.

Since then, the database has been undergoing a "technology upgrade," according to the letter. As a result, the database can't be copied until December without risking a devastating data loss and a crash that can't be fixed.

What could possibly be better news to over-worked, deadline-pressed IT shops? The Justice Department officially believes in databases that can be destroyed just by being copied.

And Justice also officially believes that's a perfectly good excuse for failing to comply with an information disclosure law.

So, if we can't manage to meet the deadlines or generate the reports required by Sarbanes-Oxley and other new laws and regulations that require access to databases, we know we'll get a sympathetic hearing at Justice — right? Well, won't we?

And there are a few other things we'd like to know. Such as:

■ Who is this brilliant contractor that leaves an organization unable to perform tasks it's legally required to do for between six months and two years?

■ If we hire this contractor for our Sarbanes-Oxley overhauls and our e-mail and instant messaging repository projects, will we be able to use the same copying-the-data-could-destroy-it excuse successfully?

■ Will our users believe us when we tell them accessing the data they need will destroy it, so they'll have to make do without it? OK, scratch that one — we already know the answer.

■ Will our CEOs accept that this is a new federal standard for data-intensive IT projects?

■ Since Attorney General John Ashcroft will be two years behind in filing required reports by the time the database is working again, can we get him to file a friend-of-the-court brief when the Securities and Exchange Commission or New York Attorney General Elliot Spitzer comes after us for not filling our reports?

■ How about just writing us an excuse note?

■ Is this copying-destroys-it feature available for digital rights management systems?

■ If we can't hire the contractor or buy the technology, can we at least see the résumé of the IT department staffer who

came up with the phrase "a crash that cannot be fixed"?

■ How could anyone know that copying the data may cause "a crash that cannot be fixed" unless ... uh-oh ...

■ Somebody did back up that database at some point, right?

They must have answers to these questions somewhere at the Justice Department. Maybe even in a database. Now if we can just get someone to make a copy for us. ...

© 47801

Did It for the Tank

Look at this: The Justice Department's database of foreign lobbyist activity under the Freedom of Information Act is supposed to be publicly available. In fact, Justice is legally required to generate a report from it for Congress twice a year. But the most recent report was for the second half of 2002. Since then, the database has been undergoing a "technology upgrade," according to the letter. As a result, the database can't be copied until December without risking a devastating data loss and a crash that can't be fixed.

SHARK TANK

What could possibly be better news to over-worked, deadline-pressed IT shops? The Justice Department officially believes in databases that can be destroyed just by being copied. And Justice also officially believes that's a perfectly good excuse for failing to comply with an information disclosure law. So, if we can't manage to meet the deadlines or generate the reports required by Sarbanes-Oxley and other new laws and regulations that require access to databases, we know we'll get a sympathetic hearing at Justice — right? Well, won't we? And there are a few other things we'd like to know. Such as: Who is this brilliant contractor that leaves an organization unable to perform tasks it's legally required to do for between six months and two years?



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